



Financial Results Material for the Second Quarter of the Period Ending March 2024

November 9, 2023



DAI-DAN

Contents

Consolidated Performance Summary

**Second Quarter Financial Closing
Highlights**

Full-Year Earnings Forecast

**Progress Status of the Mid-Term
Management Plan**

Our Sustainability Initiatives

Reference: DATA FILE



**Second Quarter Financial Results
for the Period Ending March 2024**

**Consolidated
Performance
Summary**

Overview of consolidated management indicators, etc. (operating results)

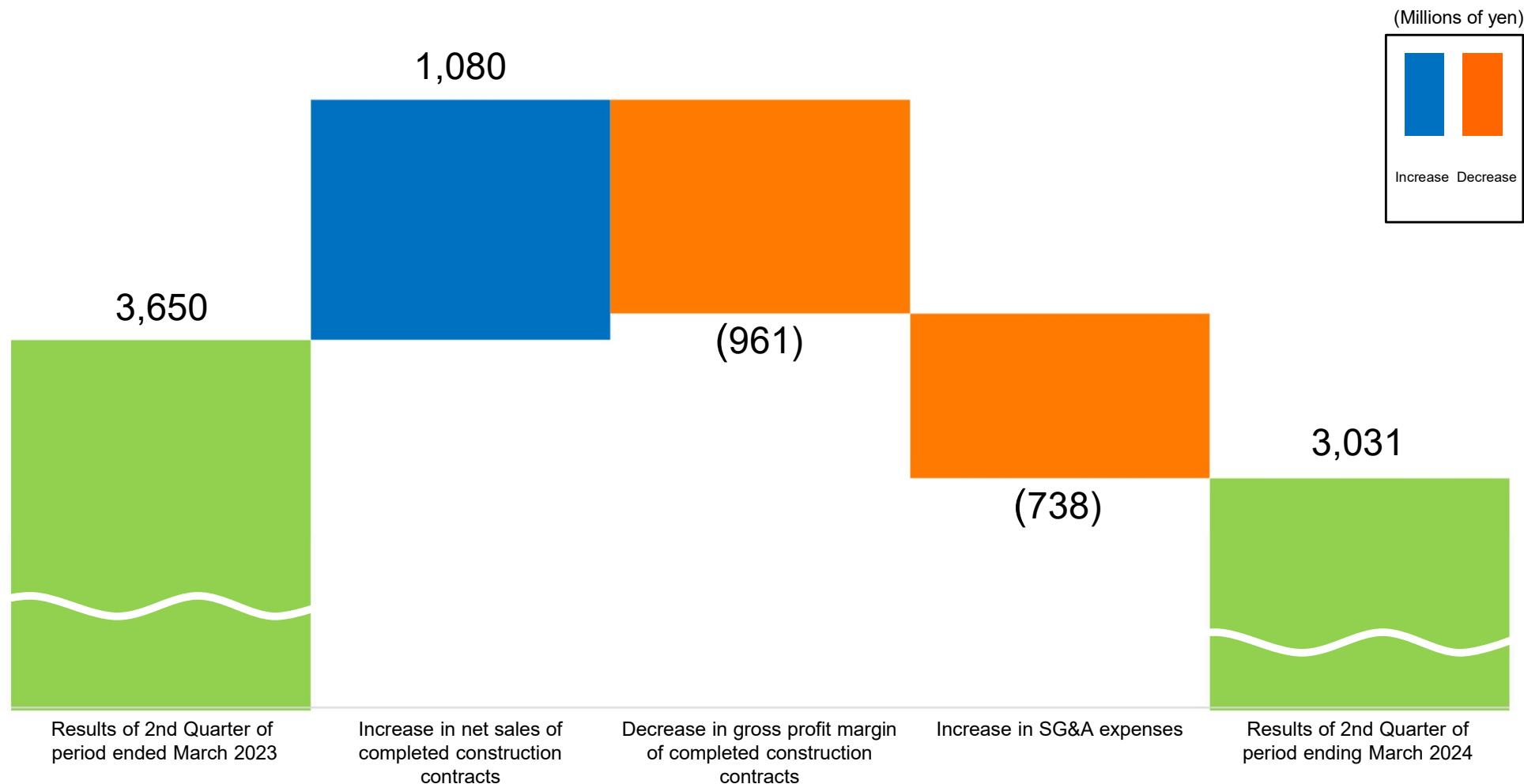
(Millions of yen)

	2nd Quarter of period ended March 2023	2nd Quarter of period ending March 2024	Increase (Decrease)	Change rate
Net sales of uncompleted construction contracts at beginning of period	163,782	184,158	20,375	12.4%
Net sales of construction contract orders received	124,966	128,523	3,557	2.8%
Net sales of completed construction contracts	82,690	91,306	8,615	10.4%
Gross profit on completed construction contracts	10,364	10,483	119	1.1%
Gross profit margin of completed construction contracts (%)	12.5%	11.5%	-1.1p	—
Operating profit	3,650	3,031	(618)	-16.9%
Operating profit margin (%)	4.4%	3.3%	-1.1p	—
Ordinary profit	4,330	3,595	(735)	-17.0%
Ordinary profit margin (%)	5.2%	3.9%	-1.3p	—
Net profit attributable to owners of parent	3,045	2,411	(633)	-20.8%
Net profit margin (%)	3.7%	2.6%	-1.0p	—

Business environment and the Company's performance summary

- Net sales of construction contract orders received increased thanks to orders secured for large-scale construction projects, mainly for industrial facilities and Osaka Kansai Expo-related facilities.
- The increase in uncompleted construction contracts carried over from the previous period, mainly large-scale general construction projects, pushed up the net sales of completed construction contracts. On the other hand, gross profit margin of completed construction contracts declined due to deteriorating profitability of certain construction projects.
- Despite the year-on-year increase in gross profit on completed construction contracts, operating profit decreased. The main reason for the decrease is an increase in SG&A expenses, specifically, expenses for “DX investments, including investment for raising efficiency in field operation and office work,” “R&D and depreciation for new businesses and construction efficiency improvement,” and an “increased number of hires and business activities associated with the recent business expansion.”

Breakdown of increase/decrease in consolidated operating profit



- Net sales of completed construction contracts increased significantly due to steady progress with the large amount of construction work carried over from the previous period.
- Gross profit margin of completed construction contracts declined due to deteriorating profitability in certain construction projects.
- SG&A expenses increased from the previous period, as described on the previous page.

Trends in consolidated net sales by construction type

(Millions of yen)

		2nd Quarter of period ended March 2023	2nd Quarter of period ending March 2024	Increase (Decrease)	Change rate
Orders received	Electrical installations	18,647	23,735	5,088	27.3%
	Air conditioning and plumbing installations	106,318	104,787	(1,531)	-1.4%
	Total	124,966	128,523	3,557	2.8%
Net sales (completed)	Electrical installations	13,970	14,269	299	2.1%
	Air conditioning and plumbing installations	68,720	77,036	8,316	12.1%
	Total	82,690	91,306	8,615	10.4%
Net sales (uncompleted)	Electrical installations	28,140	28,791	651	2.3%
	Air conditioning and plumbing installations	177,917	192,583	14,666	8.2%
	Total	206,057	221,375	15,317	7.4%

- Orders received increased thanks to orders for large-scale construction work for logistics facilities, laboratories, factories, etc. in electrical installations.
- Net sales (completed) increased thanks to steady progress in large-scale construction projects including industrial facilities and airports as well as heat source construction work for overseas resort facilities.
- Net sales (uncompleted) increased, supported by construction contracts carried over from the previous period and orders for large-scale projects such as medical facilities, redevelopment projects, and industrial facilities.

Overview of consolidated management indicators, etc. (financial position)

(Millions of yen)

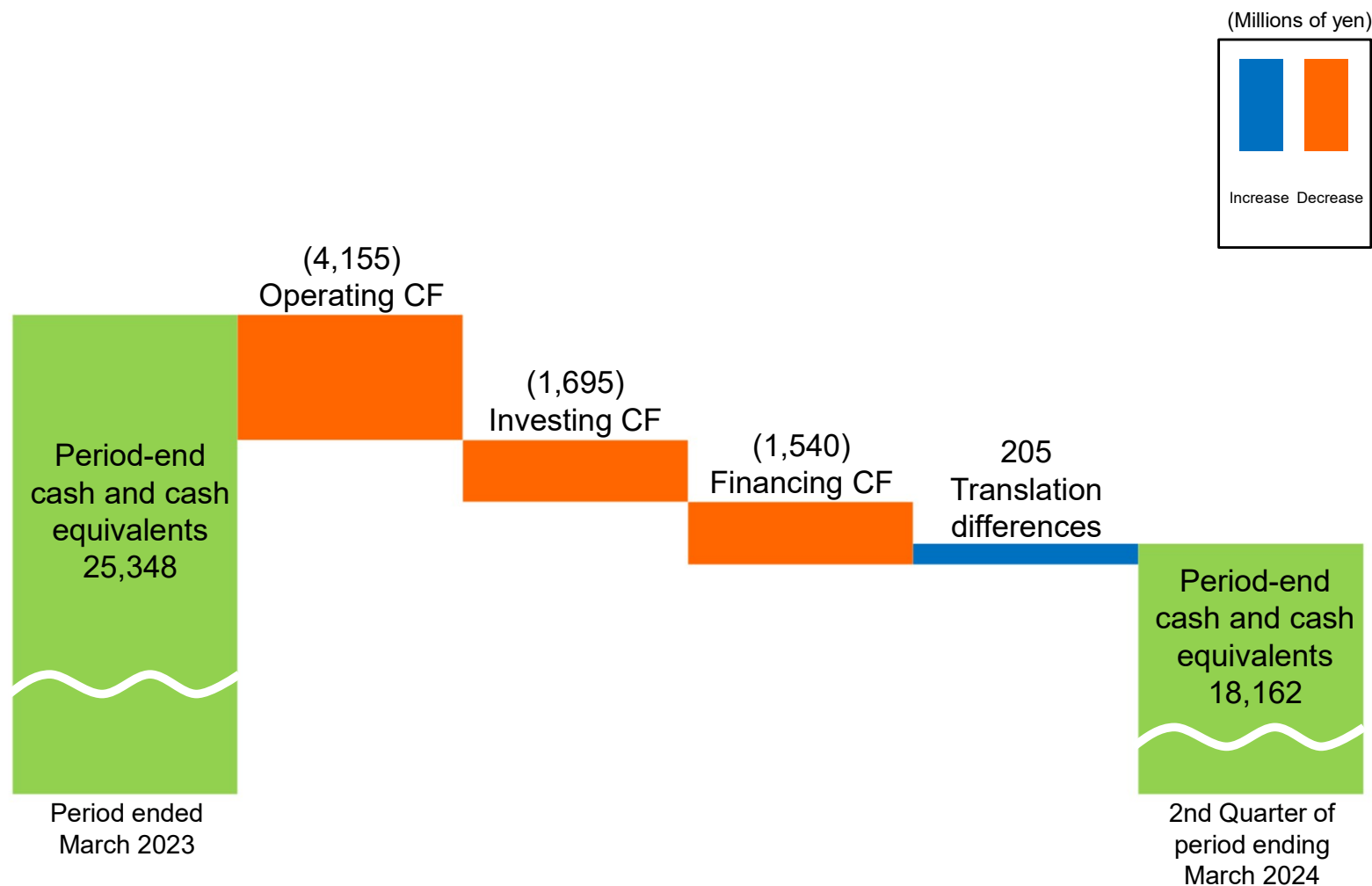
	Period ended March 2023	2nd Quarter of period ending March 2024	Increase (Decrease)	Change rate	Major factors behind increase/decrease and annotation items
Net assets	82,424	85,082	2,657	3.2%	Retained earnings increased.
Total assets	148,544	146,498	(2,045)	-1.4%	Payment of liabilities recorded in the previous period made progress.
Book value per share (BPS)	1,920.67* yen	1,979.89* yen	59.23 yen	3.1%	* (Reference) Closing stock price as of Mar. 31, 2023: 1,184 yen Closing stock price as of Sept. 30, 2023: 1,485 yen
Price book-value ratio (PBR)	0.62 times	0.75 times	—	—	* The value represents the stock price after the stock split executed as of October 1, 2023. For details, see page 18.
Equity capital ratio	55.4%	57.9%	2.5p	—	—

Overview of consolidated management indicators, etc. (cash flows)

(Millions of yen)

	2nd Quarter of period ended March 2023	2nd Quarter of period ending March 2024	Increase (Decrease)	Change rate	Major factors behind increase/decrease and annotation items
Cash flows from operating activities	8,509	(4,155)	(12,664)	—	Advance payment of construction costs
Cash flows from investing activities	(686)	(1,695)	(1,008)	—	Reconstruction of Niigata Branch and construction of offsite facilities
Cash flows from financing activities	(1,494)	(1,540)	(46)	—	Dividend payment
Cash and cash equivalents at beginning of period	16,037	25,348	9,310	58.1%	—
Increase/decrease in cash and cash equivalents	6,621	(7,185)	(13,807)	—	—
Cash and cash equivalents at end of quarter	22,659	18,162	(4,496)	-19.8%	—

Breakdown of cash flows (Trends in period-end balance of cash and cash equivalents)



- Regarding the breakdown of cash flows, net cash decreased in all three categories due to different factors: Operating CF (advance payment of construction costs), Investing CF (Reconstruction of Niigata Branch and construction of offsite facilities), and Financing CF (dividend payment).
- We have signed commitment credit line agreements with three banks for efficient working capital financing.



**Second Quarter Financial Results
for the Period Ending March 2024**

Second Quarter Financial Closing Highlights

Renovations, direct orders, and public works

(Millions of yen)

	Period ended March 2023			Period ending March 2024	Year-on-year change	
	First half year	Second half year	Full year	First half year	Increase (Decrease)	Change rate
Renovations	49,121	34,569	83,691	41,737	(7,384)	-15.0%
Ratio of renovations (%)	39.3%	42.5%	40.6%	32.5%	-6.8p	—
Mid-to-large renovations	23,578	15,440	39,018	18,626	(4,952)	-21.0%
Small-scale renovations	25,543	19,129	44,673	23,111	(2,431)	-9.5%
General construction works	75,844	46,801	122,646	86,785	10,941	14.4%
Total orders received	124,966	81,371	206,337	128,523	3,557	2.8%
Of which, direct orders	55,333	34,959	90,293	49,358	(5,975)	-10.8%
Ratio of direct orders (%)	44.3%	43.0%	43.8%	38.4%	-5.9p	—
Of which, public works	12,381	7,449	19,830	18,097	5,716	46.2%
Ratio of public works (%)	9.9%	9.2%	9.6%	14.1%	4.2p	—

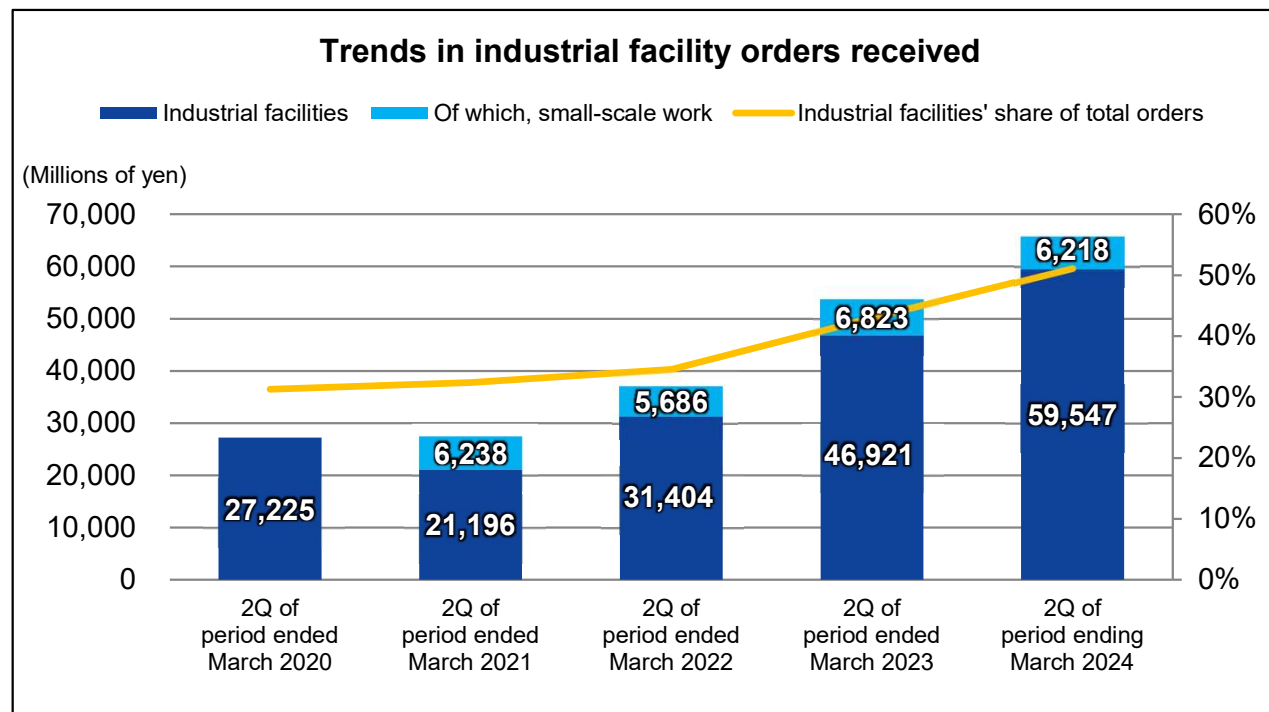
- Renovations decreased as we focused on receiving large-scale general construction project orders to increase order receipts.
- General construction work increased thanks to orders received mainly for industrial and amusement facilities.
- Direct orders showed a reactionary drop following the overseas large-scale projects received in the previous period.
- Public work grew substantially thanks to large-scale project orders received.

Industrial facilities

(Millions of yen)

	Period ended March 2023			Period ending March 2024	Year-on-year change	
	First half year	Second half year	Full year	First half year	Increase (Decrease)	Change rate
Total industrial facilities	53,744	37,436	91,181	65,764	12,019	22.4%
(Share of total orders: %)	43.0%	46.0%	44.2%	51.2%	8.2p	—
Total orders received	124,966	81,371	206,337	128,523	3,557	2.8%

* Factories, labs, data centers, and logistics facilities are classified as “industrial facilities.”



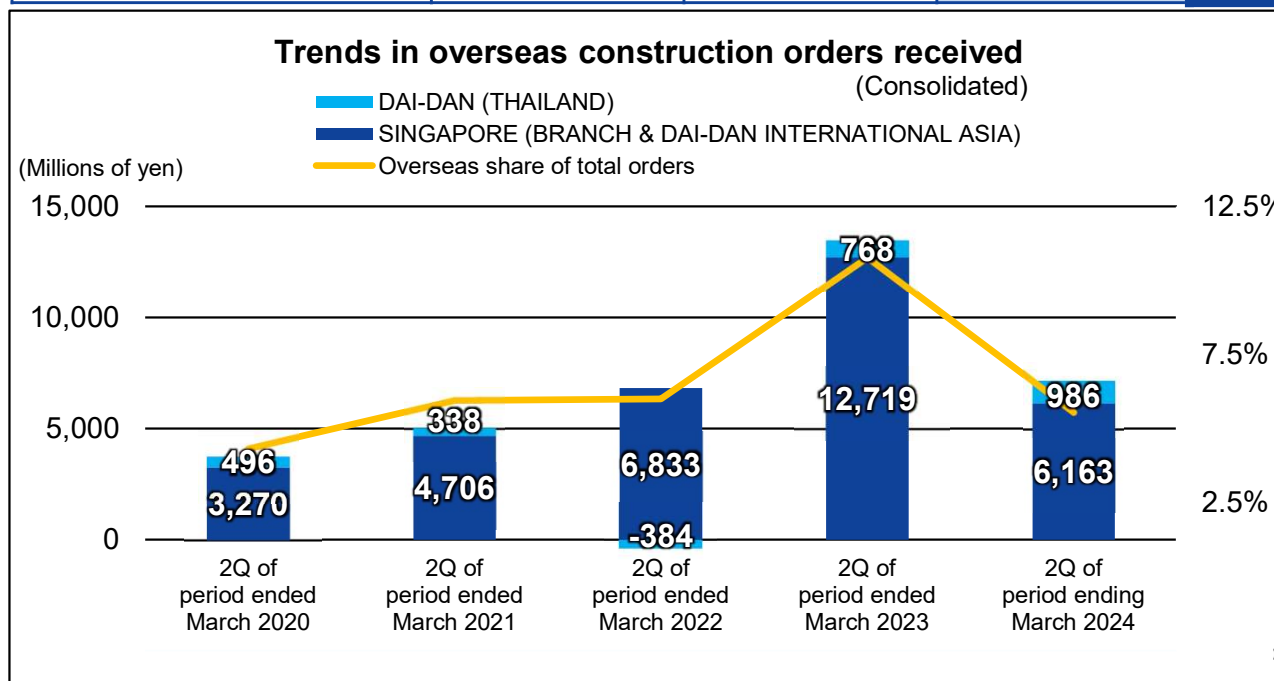
- In the first half of the year, orders received for industrial facility construction increased significantly, mainly from pharmaceutical factories. Orders were well over the previous period's record high and exceeded 50% of total orders received for the first time.
- As orders for large-scale semiconductor plants and automotive battery plants will be received in the second half of the year, orders for industrial facility construction work are expected to continue to grow.

Overseas operations

- Singapore (Branch and DAI-DAN INTERNATIONAL ASIA PTE. LTD.), Thailand (DAI-DAN (THAILAND) CO., LTD.), Vietnam (DAI-DAN (VIETNAM) CO., LTD. (non-consolidated)), and Taiwan (DAI-DAN Taiwan Co., Ltd. (non-consolidated)) are the bases of our overseas operations.
- In February 2023, we acquired 40% of shares of Presico Engineering Pte. Ltd., a Singaporean company, and made it an equity method applied affiliate.

(Millions of yen)

	Period ended March 2023			Period ending March 2024	Year-on-year change	
	First half year	Second half year	Full year	First half year	Increase (Decrease)	Change rate
Total overseas orders received (consolidated)	13,486	6,904	20,390	7,149	(6,337)	-47.0%
(Share of total orders: %)	10.8%	8.5%	9.9%	5.6%	-5.2p	—
Total orders received	124,966	81,371	206,337	128,523	3,557	2.8%



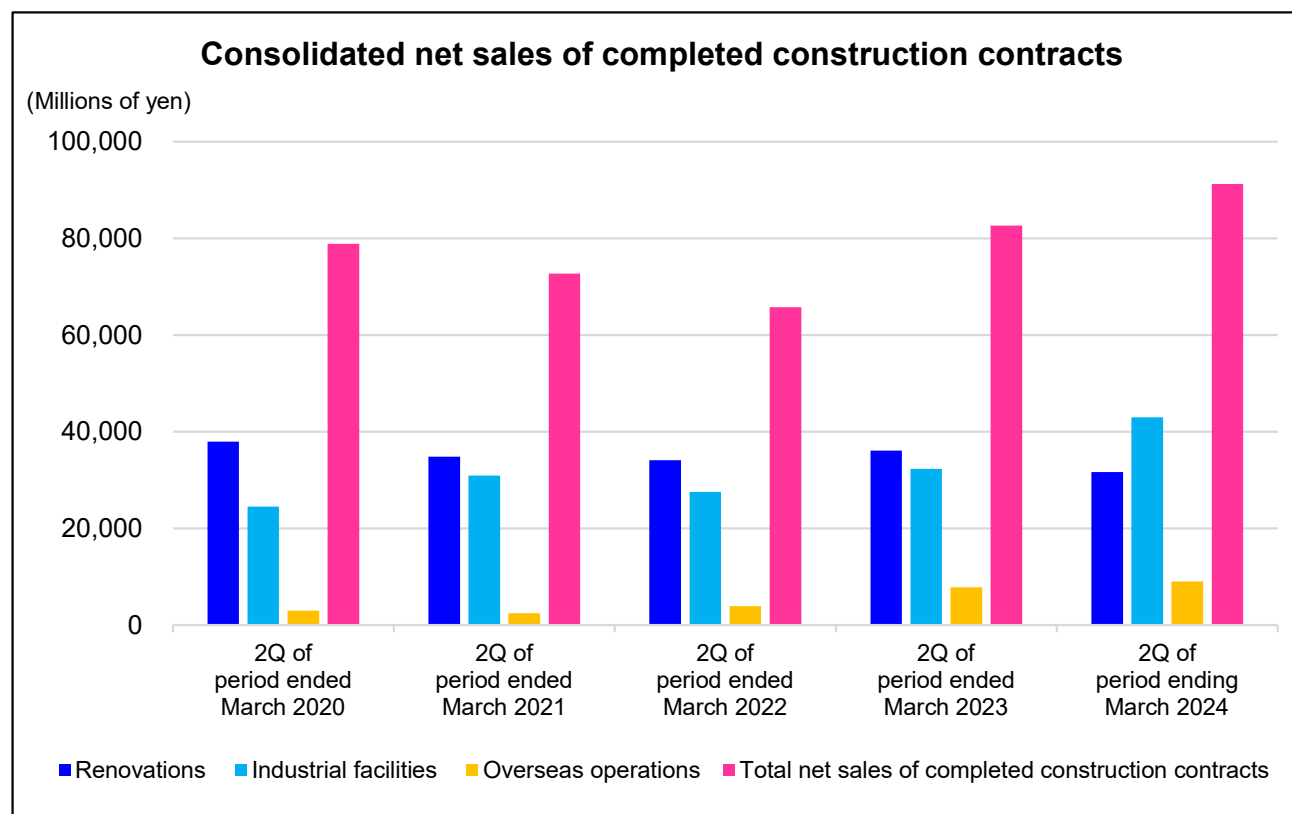
- Singapore saw a decrease in construction orders received as several large project orders that we had expected to receive during the current period were postponed to the third quarter.
- Thailand saw an increase in construction orders received due to increased orders for factory projects in comparison with last year.

Status of completed construction contracts

(Millions of yen)

	Second quarter of period ended March 2023		Second quarter of period ending March 2024		Year-on-year change	
	Monetary amount	Composition ratio	Monetary amount	Composition ratio	Monetary amount	Change rate
Total net sales of completed construction contracts	82,690	100.0%	91,306	100.0%	8,615	10.4%
Of which; (Renovations)	36,092	43.6%	31,698	34.7%	(4,393)	-12.2%
(Industrial facilities)	32,305	39.1%	42,983	47.1%	10,678	33.1%
(Overseas operations)	7,794	9.4%	9,040	9.9%	1,245	16.0%

* The figures in the table include a certain amount of overlap, as calculation is done by construction type: renovations, industrial facilities, and overseas operations.



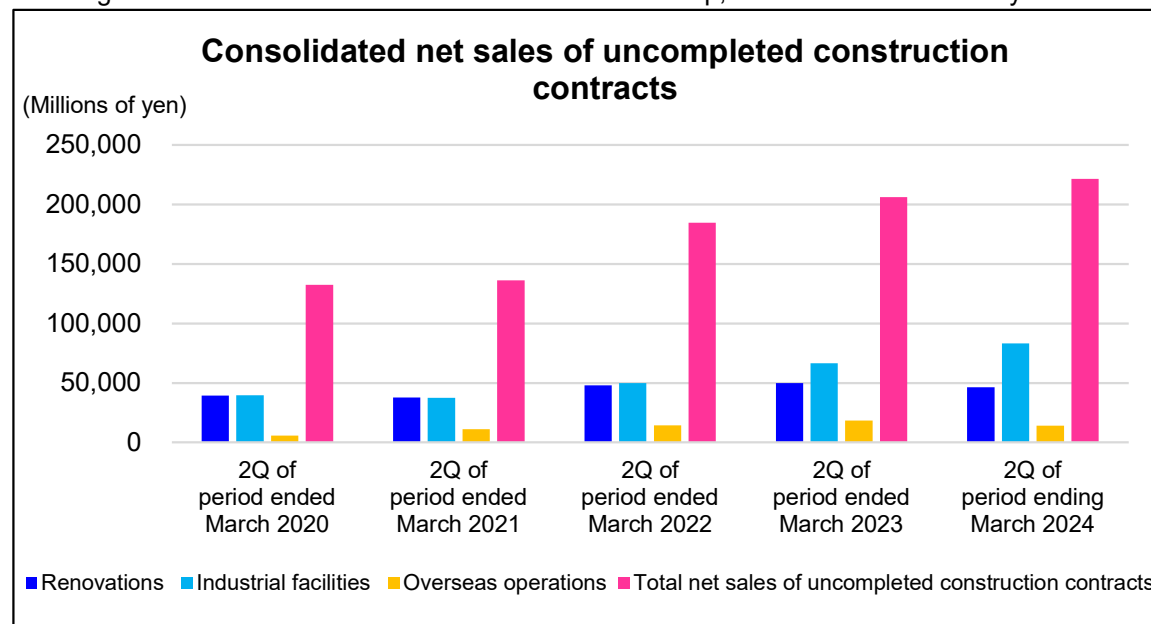
- Although an increase is posted for small-scale projects, overall renovations decreased in the reactionary drop following our focused efforts in receiving general construction projects, aiming at overall order receipt expansion.
- Industrial facility construction work and overseas operations increased due primarily to progress in large-scale construction projects for factories and data centers.
- In addition to the above, progress with airport and redevelopment projects pushed up net sales of completed construction contracts.

Status of uncompleted construction contracts

(Millions of yen)

	Second quarter of period ended March 2023		Second quarter of period ending March 2024		Year-on-year change	
	Monetary amount	Composition ratio	Monetary amount	Composition ratio	Monetary amount	Change rate
Net sales of uncompleted construction contracts at beginning of period	163,782	—	184,158	—	20,375	12.4%
Net sales of construction contract orders received	124,966	—	128,523	—	3,557	2.8%
Net sales of completed construction contracts	82,690	—	91,306	—	8,615	10.4%
Net sales of uncompleted construction contracts	206,057	100.0%	221,375	100.0%	15,317	7.4%
Of which; (Renovations)	49,925	24.2%	46,341	20.9%	(3,584)	-7.2%
(Industrial facilities)	66,699	32.4%	83,348	37.7%	16,648	25.0%
(Overseas operations)	18,531	9.0%	14,105	6.4%	(4,425)	-23.9%
Of these, contracts to be completed in the second half of the year	80,256	—	86,003	—	5,746	7.2%
Of these, contracts to be completed in the next period onward	125,801	—	135,372	—	9,571	7.6%

* The figures in the table include a certain amount of overlap, as calculation is done by construction type: renovations, industrial facilities, and overseas operations.



- As for uncompleted construction contracts for the current period, net sales of construction contract orders received exceeded net sales of completed construction contracts, posting year-on-year growth. (The highest level in the last five years)
- A sufficient volume of unfinished construction projects has been secured, especially for large-scale projects such as medical facilities and industrial facilities, and these will contribute to the future value of work done.
- **There has been a trend** over the past year where material equipment and labor costs increased due to inflation and were **passed onto contracted amounts**.
- In correspondence with the above-mentioned price transfers onto contracted amounts, **we expect to see a year-on-year increase in profits for contracts completed in the second half of the year.**

(Millions of yen)

		Period ended March 2023	Period ending March 2024	Increase (Decrease)	Change rate
Net sales of construction contract orders received	April–June	66,712	67,005	292	0.4%
	July–September	58,253	61,518	3,265	5.6%
	April–September	124,966	128,523	3,557	2.8%
Net sales of completed construction contracts	April–June	35,342	40,731	5,389	15.2%
	July–September	47,348	50,574	3,226	6.8%
	April–September	82,690	91,306	8,615	10.4%
Operating profit	April–June	818	691	(126)	-15.5%
	July–September	2,832	2,340	(492)	-17.4%
	April–September	3,650	3,031	(618)	-16.9%

- For the period from April to June, operating results were as favorable as the previous period due to orders secured for large-scale construction projects, mainly for industrial and medical facilities. Although uncompleted construction contracts carried over from the previous period made steady progress mainly in large-scale general construction projects, the increase in SG&A expenses resulted in a decrease in operating profit in spite of an increase in net sales of completed construction contracts.
- For the period from July to September, orders received for large-scale construction projects such as industrial facilities and Osaka Kansai Expo-related facilities caused net sales of construction contract orders received to increase from the previous period. Consistent progress in uncompleted construction contracts pushed up net sales of completed construction contracts but pushed down operating profit adversely affected by the deteriorating profitability of certain construction projects and increased SG&A expenses (the increase in SG&A expenses is as described on page 4).



**Second Quarter Financial Results
for the Period Ending March 2024**

**Full-Year Earnings
Forecast for the
Period Ending
March 2024**

Consolidated full-year earnings forecast

(Millions of yen)

	Period ended March 2023			Period ending March 2024			Year-on-year change, full year	
	First half year	Second half year	Full year	First half year	Second half year (Forecast)	Full year (Forecast)	Increase (Decrease)	Change rate
Net sales of construction contract orders received	124,966	81,371	206,337	128,523	111,477	240,000	33,663	16.3%
Net sales of completed construction contracts	82,690	103,271	185,961	91,306	108,694	200,000	14,039	7.5%
Gross profit on completed construction contracts	10,364	12,260	22,624	10,483	13,917	24,400	1,776	7.9%
Gross profit margin of completed construction contracts (%)	12.5%	11.9%	12.2%	11.5%	12.8%	12.2%	0.0p	–
Operating profit	3,650	4,778	8,428	3,031	5,469	8,500	72	0.9%
Operating profit margin (%)	4.4%	4.6%	4.5%	3.3%	5.0%	4.3%	-0.3p	–
Ordinary profit	4,330	4,958	9,288	3,595	5,305	8,900	(388)	-4.2%
Ordinary profit margin (%)	5.2%	4.8%	5.0%	3.9%	4.9%	4.5%	-0.5p	–
Net profit attributable to owners of parent	3,045	3,581	6,626	2,411	4,089	6,500	(126)	-1.9%
Net profit margin (%)	3.7%	3.5%	3.6%	2.6%	3.8%	3.3%	-0.3p	–
Return on equity (ROE)	–	–	8.3%	–	–	7.7%	-0.6p	–

Preconditions for earnings forecast

- As shown on page 4, we have upwardly revised our full-year forecast for net sales of construction contract orders received, mainly due to steady order receipt in the first half of the year along with orders for large semiconductor and automotive battery plants to be received in the second half of the year. (210,000 million yen → 240,000 million yen)
- In terms of earnings, net sales increased but profits decreased year-on-year in the second quarter of the current period. However, as shown on page 14, we expect an increase in profits with the increase in construction projects to be completed in the current period, and the full-year earnings forecast remains unchanged from our most recent announcement.

Stock split

The Company conducted a stock split as of October 1, 2023, based on a resolution at the Board of Directors meeting held on August 4, 2023.

1. Stock split

(1) Purpose of the stock split

The purpose of the stock split is to create a more investment-friendly environment, improve market liquidity, and expand the investor base by reducing the price of share-trading units of the Company's stock.

(2) Outline of the stock split

[1] Split method

The record date of the stock split was Saturday, September 30, 2023 (the determination of shareholders listed on the shareholder register was effectively made on Friday, September 29, 2023, because September 30, 2023 was a non-business day). Each share of the Company's common stock held by shareholders listed on the final shareholder register as of the record date was split into 2 shares.

[2] Increase in the number of shares resulting from the stock split

Total number of shares issued before the stock split	22,981,901 shares
Number of shares to be increased by the stock split	22,981,901 shares
Total number of shares issued after the stock split	45,963,802 shares
Total number of authorized shares after the stock split	80,000,000 shares

[3] Schedule for the stock split

Date of public notice of record date: September 14, 2023 (Thursday);

Record date: September 30, 2023 (Saturday); and Effective date: October 1, 2023 (Sunday)

Revision of dividend forecast

- To further enhance returns to our shareholders who provide us with continued support, we plan to increase the year-end dividend per share for the period ending March 31, 2024 by 5 yen from 55 yen per share before the stock split to 60 yen per share before the stock split (30 yen after the stock split), as announced on August 4, 2023.

	Full-year dividend			Total dividend	Dividend ratio	Dividend on equity ratio
	End of second quarter	End of period	Total	(Total sum)	(Consolidated)	(Consolidated)
	Yen Sen	Yen Sen	Yen Sen	Million yen	%	%
Period ended March 2022	45.00	45.00	90.00	1,935	33.3%	2.5%
Period ended March 2023	45.00	55.00	100.00	2,150	32.3%	2.7%
Period ending March 2024 (Forecast) (On the pre-stock split basis)	55.00	30.00 (60.00)	– (115.00)	–	37.9%	–

Shareholder return policy

- We consider returning profits to our shareholders through profit distribution as the most important management issue and strive to build a sound financial structure.
- Aiming to further promote profit returns to shareholders, we have set a new dividend policy of a dividend payout ratio of 35% or more (previously 30%) for the period ending March 2024 and onward.

Purchase of treasury shares

- We will consider it as appropriate aiming for returning profits to our shareholders and improving capital efficiency.



**Second Quarter Financial Results
for the Period Ending March 2024**

Progress Status of Mid-Term Management Plan

“Preparation Stage” FY2021–2023

Strategies and measures for the Mid-Term Management Plan “Preparation Stage”

- A “Preparation Stage” to improve and strengthen our domestic and overseas foundations toward the Long-term Vision 2030.
- Take on the challenges of entering new businesses and establish a group structure to expand consolidated sales.
- Aiming to become a “company that creates space value,” and deliver value to a wide range of customers.

Business strategies	Strategy of “Preparation Stage” FY2021–2023	Implementation status of measures
Expand core businesses	<ul style="list-style-type: none"> • Increase industrial installations • Strengthen businesses of recurring revenue model 	<ul style="list-style-type: none"> • Engineers are appropriately assigned to electronic device factories, data centers, and other large-sized industrial facilities. • Customers are retained through active maintenance order acquisition activities in cooperation with subsidiaries.
Reinforce overseas business	<ul style="list-style-type: none"> • Develop a foundation to control overseas operations • Develop new bases 	<ul style="list-style-type: none"> • Domestic headquarters are supporting sales, technical proposals, and quality control for each project. • Amid the Covid-19 pandemic, remote sales activities have been strengthened in Vietnam, where we started operation in fiscal 2020.
Strengthen technological capabilities	<ul style="list-style-type: none"> • Strengthen on-site capabilities • Expand ZEB & IoT business 	<p style="text-align: center;">Details are provided in “Our Sustainability Initiatives.”</p>
Find new businesses	<ul style="list-style-type: none"> • Contribute to commercialization of regenerative medicine • Promote business that reduces environmental load 	

Numerical targets for the Mid-Term Management Plan “Preparation Stage”

Item	Period ended March 2023 Results	Preparation Stage Target for period ending March 2024	Period ending March 2024 Forecast
Consolidated net sales	185.9 billion yen	200 billion yen Increase in the ratio of sales at consolidated subsidiaries	200 billion yen
Consolidated operating profit	8.4 billion yen	10 billion yen	8.5 billion yen
ROE	8.3%	8% or more	7.7%
Dividend payout ratio	32.3%	30% or more	35% or more
Investment plan * Cumulative total for three periods	DX promotion (construction sites, work style reform) Strengthening of the corporate group New businesses, R&D, etc.	20 billion yen	

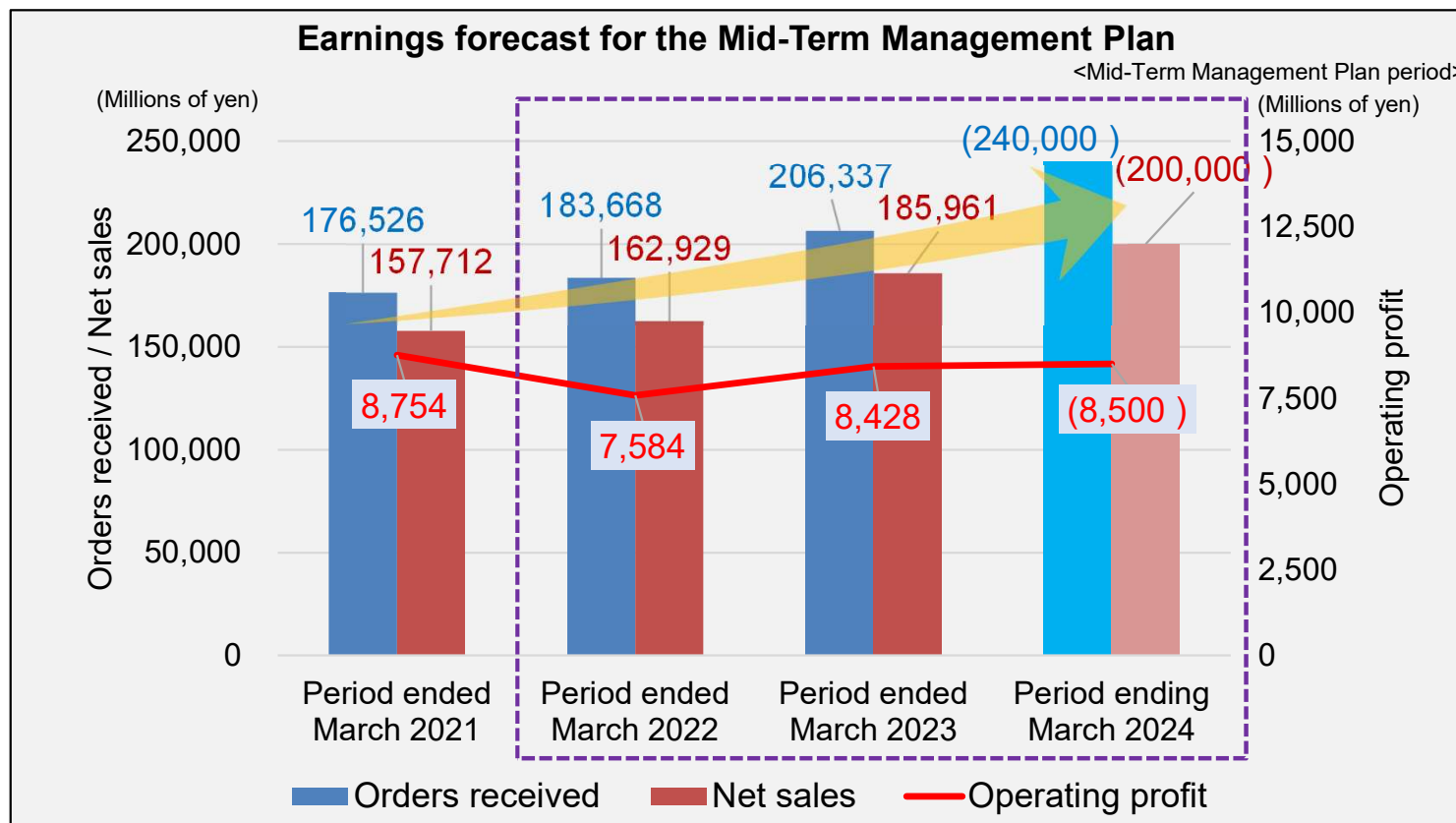
Realizing business management with emphasis on cost of capital and stock prices:

- We aim to achieve top-line growth and earn revenue that exceeds our cost of capital while maintaining financial soundness.
- We plan to announce a new Mid-Term Management Plan starting from April 2024.

Mid-Term Management Plan progress <Orders received, Net sales, Operating profit>

- Promote measures to achieve targets in the Mid-Term Management Plan “Preparation Stage.”
 - Strengthening our capability to respond to construction projects that are growing in size and increasing orders in our area of focus, such as industrial facilities and overseas projects, we expect to **achieve our sales target of 200 billion yen for the final fiscal year ending March 31, 2024.**
 - **Orders received** are expected to be well above the target, **from 210 billion yen to 240 billion yen.**
 - Although stable profits will be secured, **operating profit** is expected to stand at **8.5 billion yen, the same level as last year**, due to increasing prices of materials and equipment, promotion of work style reform, and other factors.

Increase in net sales by 26% compared to the period before the Mid-Term Management Plan

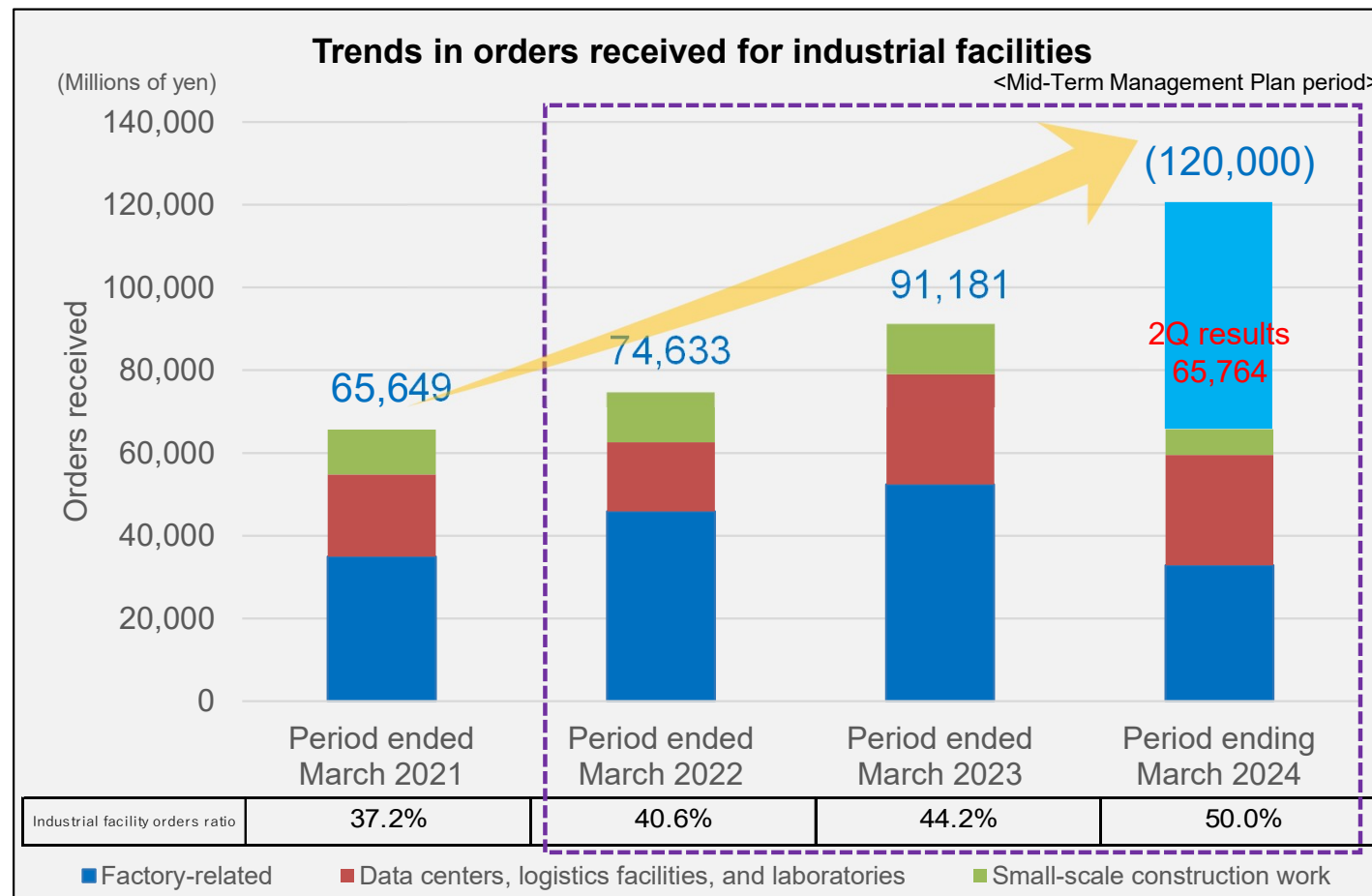


Important measures for the Mid-Term Management Plan

<Expansion of industrial facility construction>

- There has been a remarkable increase in orders received for **electronic device factories** due to increases in investment in semiconductor-related sectors from companies supported by government subsidies, and in orders received for **data centers** due to the advancement of DX and AI in society.
- In addition, orders for large **automotive battery plants** are also expected amid the shift to EVs.
- Industrial facility-related orders have increased to **50%** of total orders received due to increased capital investment, contributing to growth in earnings.
- The Engineering Division, which specializes in industrial facilities, has been reinforced as a measure to strengthen design and construction requiring sophisticated technology.

Orders received are expected to increase by 1.8 times compared to the period before the Mid-Term Management Plan.

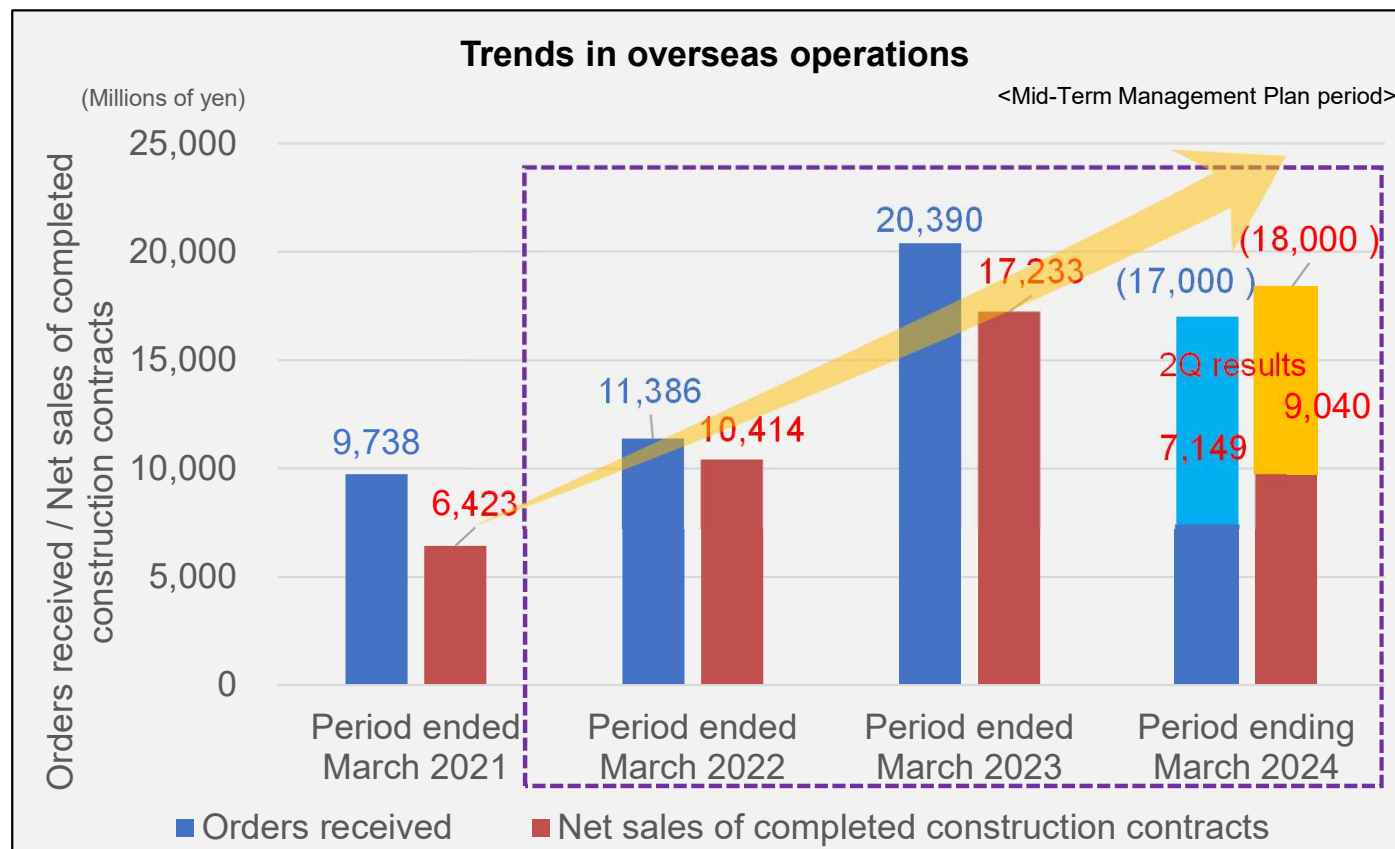


Important measures for the Mid-Term Management Plan

<Strengthening of overseas operations>

- Our business operations are centered in Singapore and Thailand. By establishing local subsidiaries in Vietnam in October 2020 and Taiwan in April 2022, our overseas (Southeast Asia) business is being expanded.
- We acquired 40% of shares of Presico Engineering Pte. Ltd., which operates an equipment installation business mainly in Singapore and now contributes to profits as an equity-method affiliate.
- During the Mid-Term Management Plan, orders received and net sales have been growing strongly in Singapore and Thailand.

Orders received are expected to increase by 2.8 times compared to the period before the Mid-Term Management Plan.





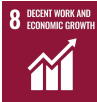



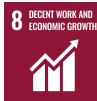




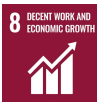

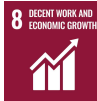




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**Second Quarter Financial Results
for the Period Ending March 2024**

Our Sustainability Initiatives

With the aim of creating CSV businesses that generate new businesses from social issues, we report on items to be promoted in the global environment and life science fields, which are closely related to our technologies.

Our materiality items	Concrete measures	SDGs
Contribute to a decarbonized society	Increase in ZEB-related construction works	 
Keep up with changes in business environment through DX	On-site adoption of ICT-based technology	   
Realize a high-quality medical environment	Initiatives in the field of regenerative medicine	
Achieve innovation and improve productivity through research and fostering of human resources	Increase in intellectual property ownership	   
Health and safety conscious work environment that makes employees feel their work is rewarding	Improvement in employee satisfaction	   
Partnership with subcontractors and suppliers	Improvement in Meister retention rate	  

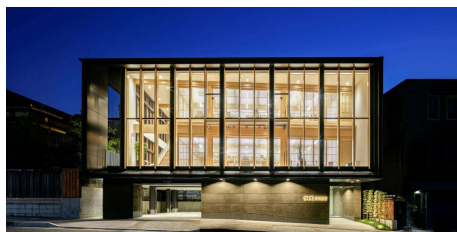
■ Promoting decarbonization by converting own buildings to ZEB

- **Numerous awards** received for achieving both decarbonization and an environment that improves work engagement
Gained social recognition as a **leading ZEB company**



Hokkaido Branch:

- Distinguished Technology Award at the Society of Heating, Air-Conditioning and Sanitary Engineers Awards
- Grand Prize at the Northern Regions Energy-efficiency and New Energy Awards
- Grand Prize at the Hokkaido Energy-efficiency and New Energy Promotion Awards
- Japan Wood Design Award 2022, etc.



Hokuriku Branch:

- The Nikkei New Office Awards
- The Wooden Architecture Awards
- Kanazawa Urban Structure Award
- Grand Prize at the Ishikawa Scenery Awards and Ishikawa Advertising Landscape Awards
- IEIJ Good Lighting Award
- Japan Wood Design Award 2023, etc.



Number of ZEB buildings **owned: 5**
(forecast)

Niigata Branch nearly ZEB: To be completed during the current period



Number of ZEB buildings **planned: 12**
(forecast)

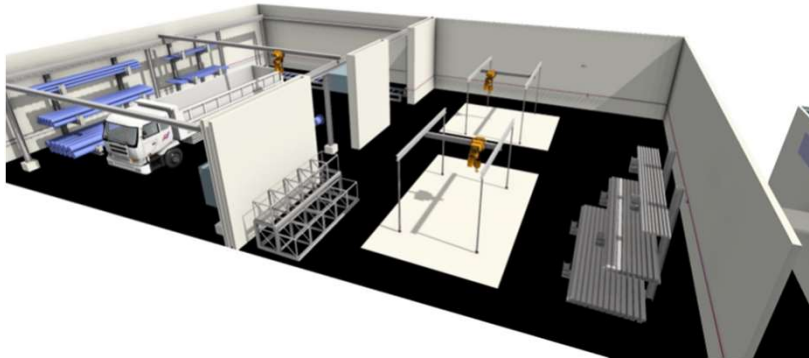
- Going forward, we will propose and receive **ZEB refurbishment** orders. Utilizing analyses of actual operation at our own ZEBs, expand ZEB refurbishment that allows equipment companies to design and create proposals.



Hachinohe-Nishi Health Checkup Plaza ZEB Refurbishment Project:
Made ZEB-ready by introducing RIMOVIS, a cloud-based automated control system.

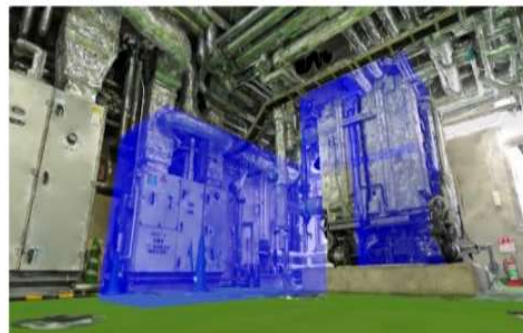
Development of “offsite” bases for prefabrication

- Offsite bases for prefabrication are now in operation in the Tokyo metropolitan area and the Kansai region.
- Started to be developed also in Hokkaido and Kyushu.
- Contribute to the improvement in productivity and construction quality, as well as time-saving with reduced field operations.



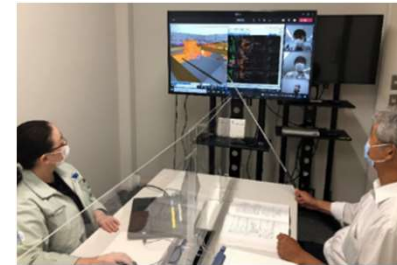
Construction Visualizer 4D

3D modeling of recorded current situation
 3D modeling makes the creation of drawings easier, even for properties to be renovated without existing drawings, and is utilized for construction planning, such as planning for loading and unloading.



Previous period (Full year)	Current period (First half of the year)
14 projects	8 projects

The newly established Support Department further expands support



Drawing review on the branch side



Worksite participation

- The Remote Worksite Assistance Team was expanded as a department.
- As efficient support from the head office and branch offices to construction sites, multifaceted support is provided for process management, drawing preparation, and other tasks.
- This contributes to diverse work styles, the most effective measure for work style reforms (overtime cap).

BIM Promotion

We are promoting the use of BIM as an important measure to improve quality of design and construction, as well as operational efficiency. Usage is growing substantially.

In addition to drawing creation, extend BIM usage to include integration, order placement for materials and equipment, and coordination with product manufacturing (ducts and processed pipes).



Previous period (Full year)	Current period (First half of the year)
93 projects	82 projects

■ Regenerative Medicine Business

- [1] Our unique low-cost, high-quality cell processing facility “Cellab Tonomachi” was **approved by the Ministry of Health, Labour and Welfare.**

[Expansion of equipment and system sales business]

- [2] Acquired **cancer therapeutic cell** manufacturing technology making use of investment in a venture company.

[Contract cell manufacturing business has started]

Taking advantage of our capacity in both equipment and manufacturing, we will **develop and expand both businesses.**

- [3] Our unique cell processing facility “**Cellab Haneda**” was established in the Fujita Medical Innovation Center Tokyo, Fujita Health University.

→ Visitors can observe cell processing on site.

[Entry into the **self-funded medical treatment market**, which is growing in the regenerative medicine area]

- [4] At the Kobe City Eye Hospital, clinical research was conducted on retinal regeneration using iPS cells and **general-purpose humanoid robots** in our proprietary cell processing facility.

[Entry into the **automated cell manufacturing market]**

Target sales for FY2029
3,000 million yen

Target sales for FY2026
1,000 million yen

Target sales for FY2023
350 million yen

* Including CPF construction



All-in-one CP Unit in the Kobe City Eye Hospital

Cellab Haneda in the Fujita Medical Innovation Center Tokyo, Fujita Health University



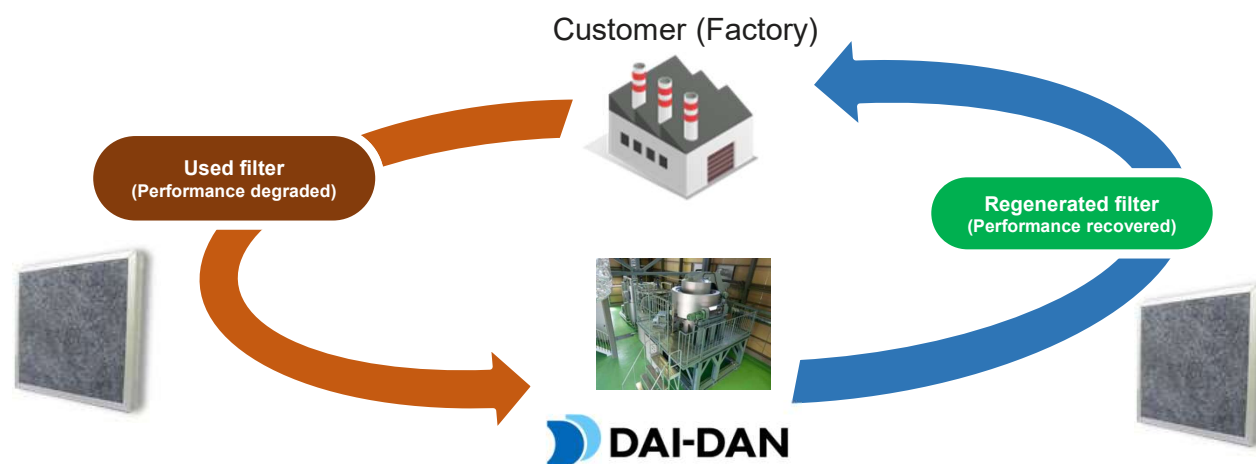
■ Air Filter Regeneration Business

- Reuse business based on our one-of-a-kind “supercritical CO₂ regeneration technology”
- Decarbonization technology that not only contributes to **waste reduction** but is also expected to **reduce CO₂ emissions** by approx. **30%**
- The main target is **semiconductor plants** in Japan, where an upturn in investments has been seen and growth in demand is expected.
- Enhance regeneration plants to increase filter regeneration volume.
- **Test cleaning has started** in **Taiwan**, where we conduct sales activities.


Target sales for FY2029
850 million yen

Target sales for FY2026
300 million yen

Target sales for FY2023
75 million yen



Expanded supercritical CO₂ plant

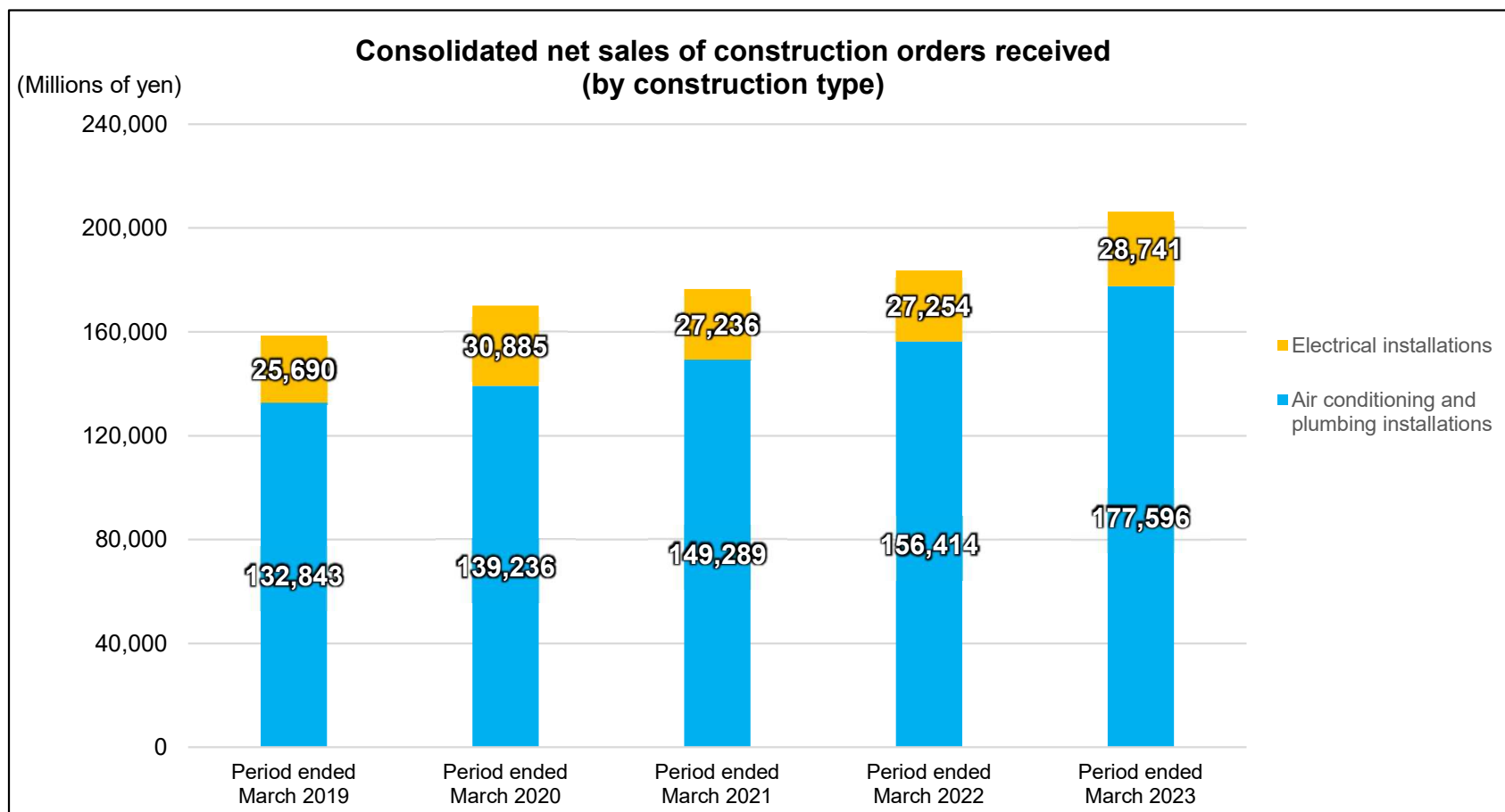


**Reference:
DATA FILE
(Full Year / Second
Quarter)**

Consolidated net sales of construction orders received by construction type (Full year)

(Millions of yen)

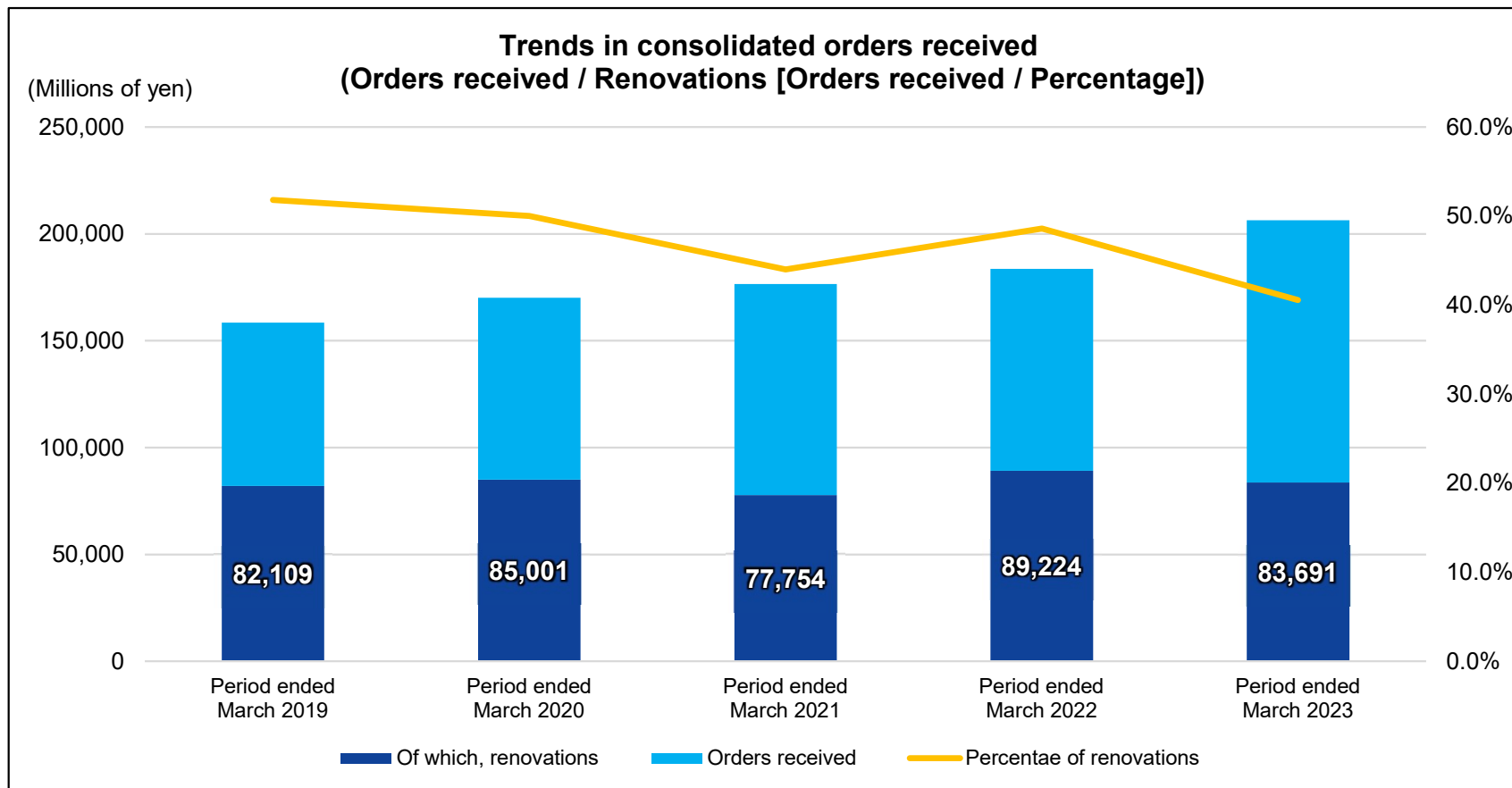
	Period ended March 2019	Period ended March 2020	Period ended March 2021	Period ended March 2022	Period ended March 2023
Electrical installations	25,690	30,885	27,236	27,254	28,741
Air conditioning and plumbing installations	132,843	139,236	149,289	156,414	177,596
Total	158,533	170,121	176,526	183,668	206,337



Trends in consolidated orders received (Orders received / Renovations) (Full year)

(Millions of yen)

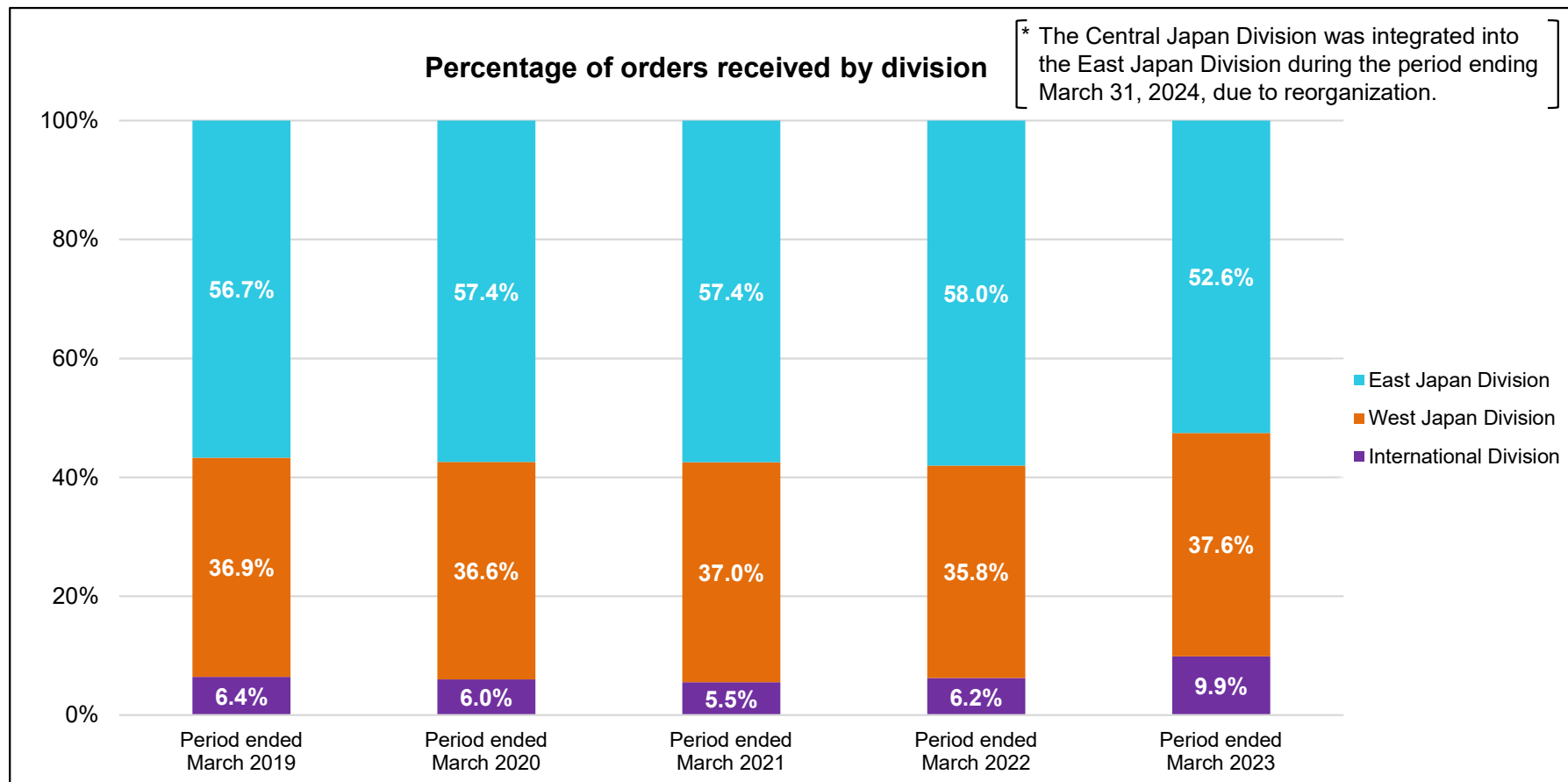
	Period ended March 2019	Period ended March 2020	Period ended March 2021	Period ended March 2022	Period ended March 2023
Net sales of construction contract orders received	158,533	170,121	176,526	183,668	206,337
Renovations	82,109	85,001	77,754	89,224	83,691
Percentage of renovations	51.8%	50.0%	44.0%	48.6%	40.6%



Percentage of consolidated orders received by division (Full year)

Percentage of orders received

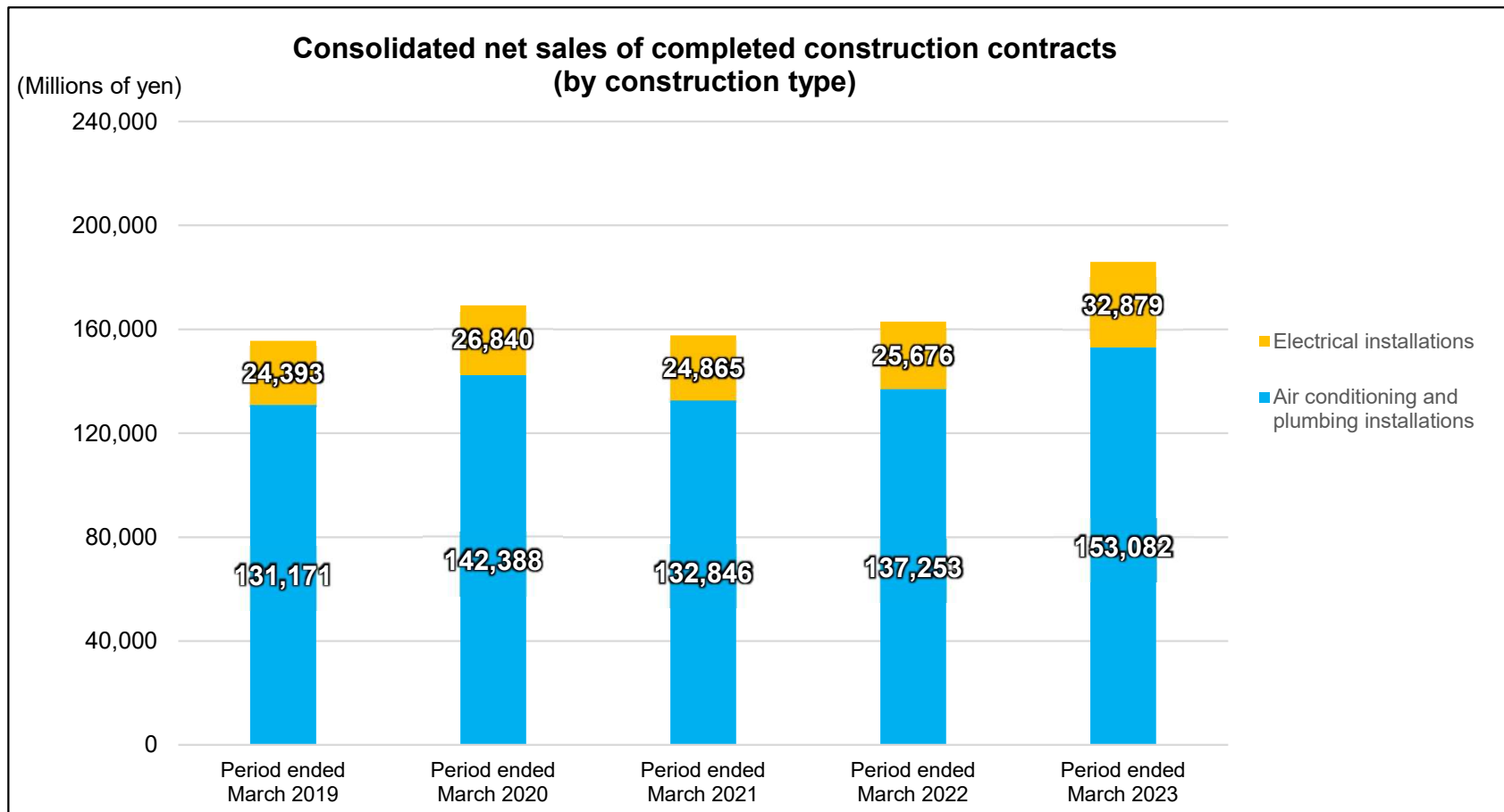
	Period ended March 2019	Period ended March 2020	Period ended March 2021	Period ended March 2022	Period ended March 2023
East Japan Division	56.7%	57.4%	57.4%	58.0%	52.6%
West Japan Division	36.9%	36.6%	37.0%	35.8%	37.6%
International Division	6.4%	6.0%	5.5%	6.2%	9.9%



Consolidated net sales of completed construction contracts by construction type (Full year)

(Millions of yen)

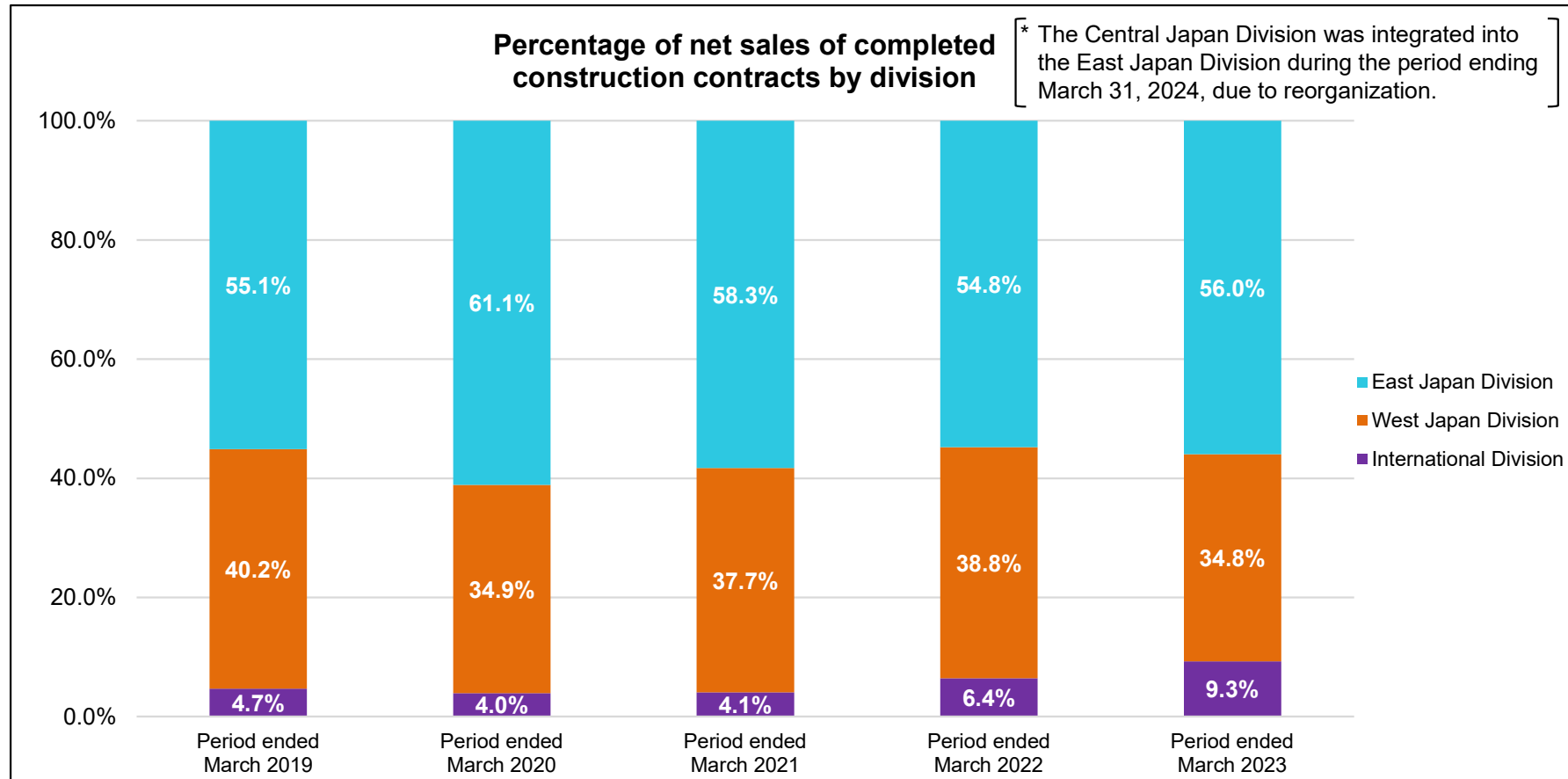
	Period ended March 2019	Period ended March 2020	Period ended March 2021	Period ended March 2022	Period ended March 2023
Electrical installations	24,393	26,840	24,865	25,676	32,879
Air conditioning and plumbing installations	131,171	142,388	132,846	137,253	153,082
Total	155,565	169,229	157,712	162,929	185,961



Percentage of consolidated net sales of completed construction contracts by division (Full year)

Percentage of net sales of completed construction contracts

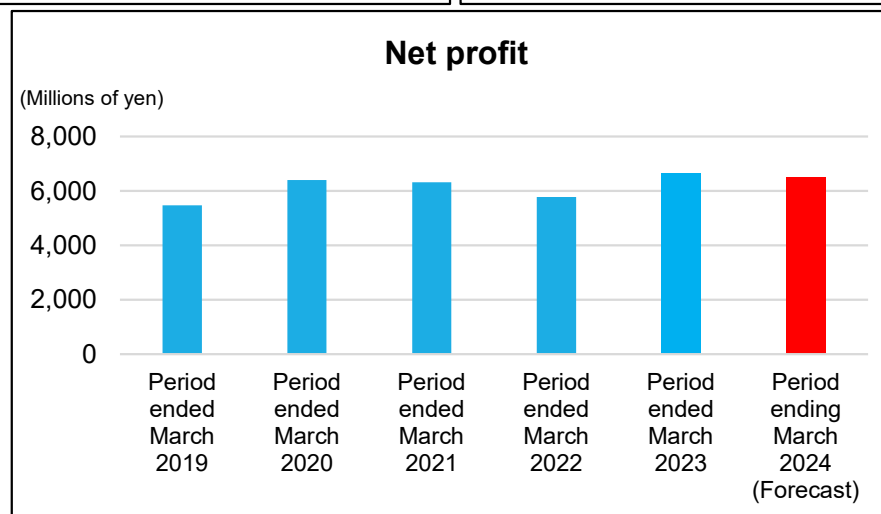
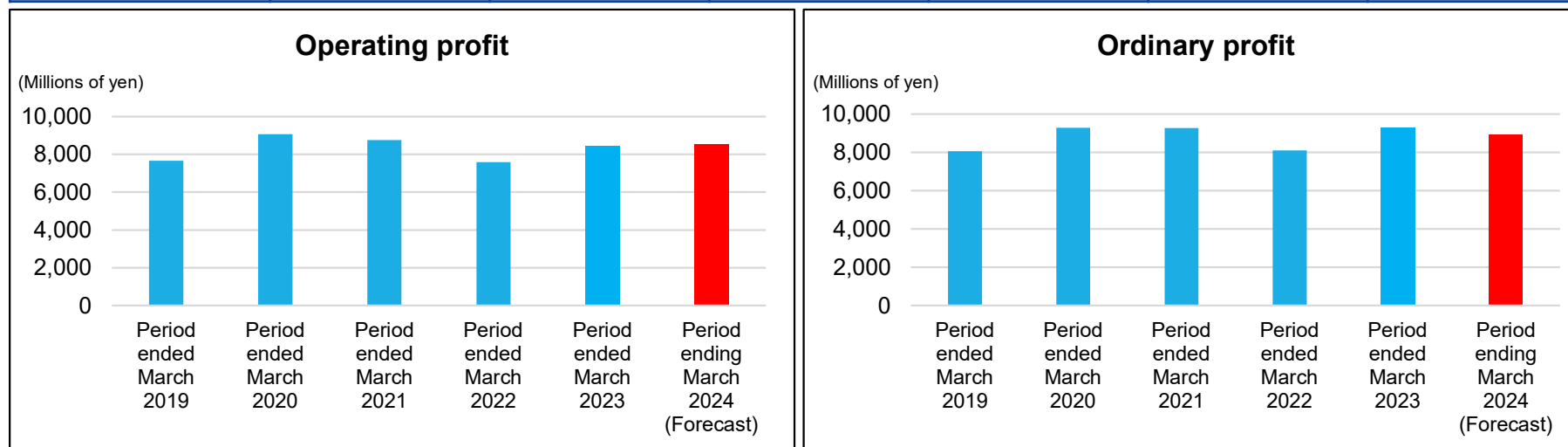
	Period ended March 2019	Period ended March 2020	Period ended March 2021	Period ended March 2022	Period ended March 2023
East Japan Division	55.1%	61.1%	58.3%	54.8%	56.0%
West Japan Division	40.2%	34.9%	37.7%	38.8%	34.8%
International Division	4.7%	4.0%	4.1%	6.4%	9.3%



Consolidated operating/ordinary/net profits (Full year)

(Millions of yen)

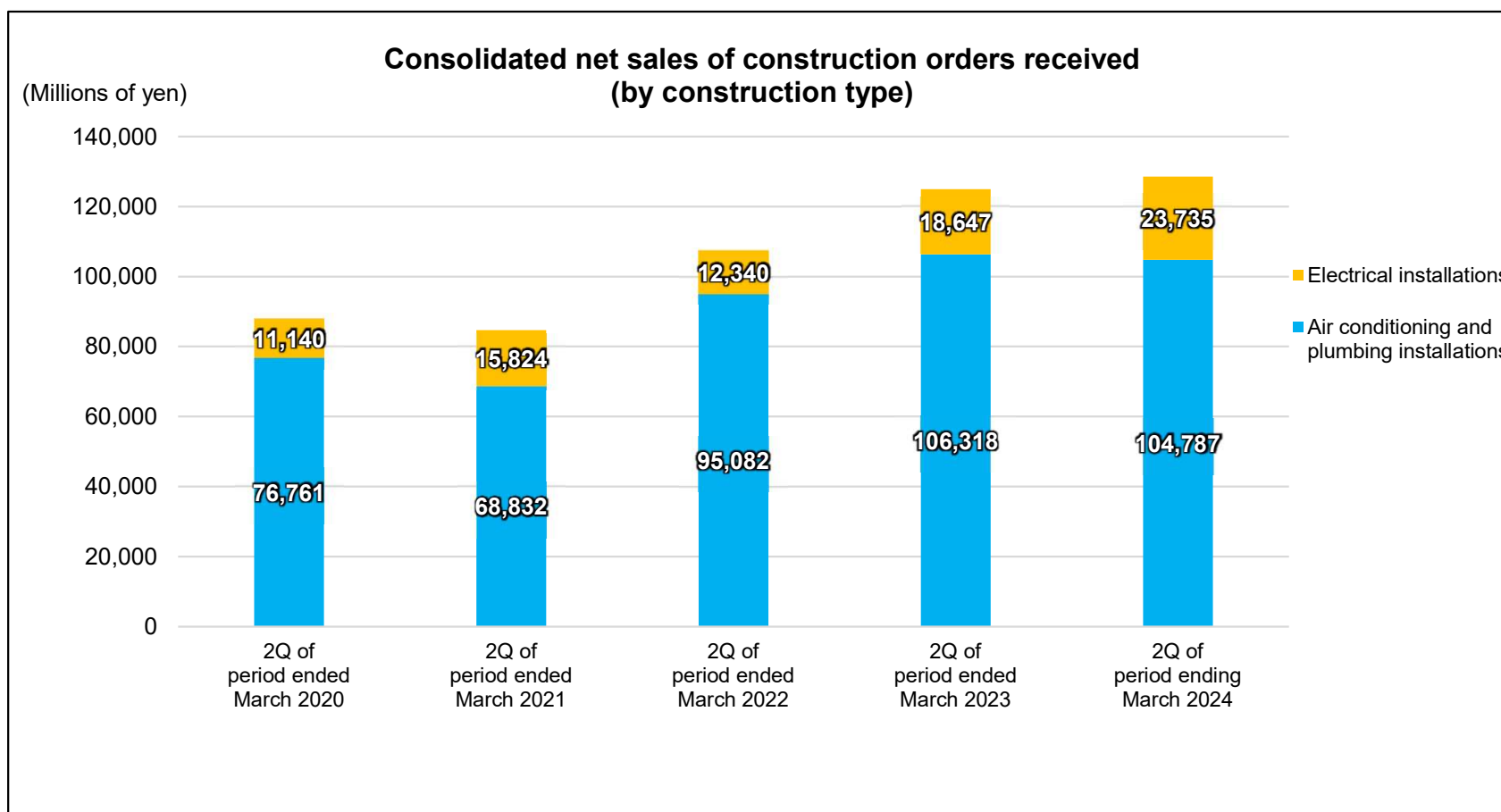
	Period ended March 2019	Period ended March 2020	Period ended March 2021	Period ended March 2022	Period ended March 2023	Period ending March 2024 (Forecast)
Operating profit	7,661	9,063	8,754	7,584	8,428	8,500
Ordinary profit	8,057	9,282	9,262	8,095	9,288	8,900
Net profit	5,464	6,399	6,318	5,778	6,626	6,500



Consolidated net sales of construction orders received by construction type (Second quarter)

(Millions of yen)

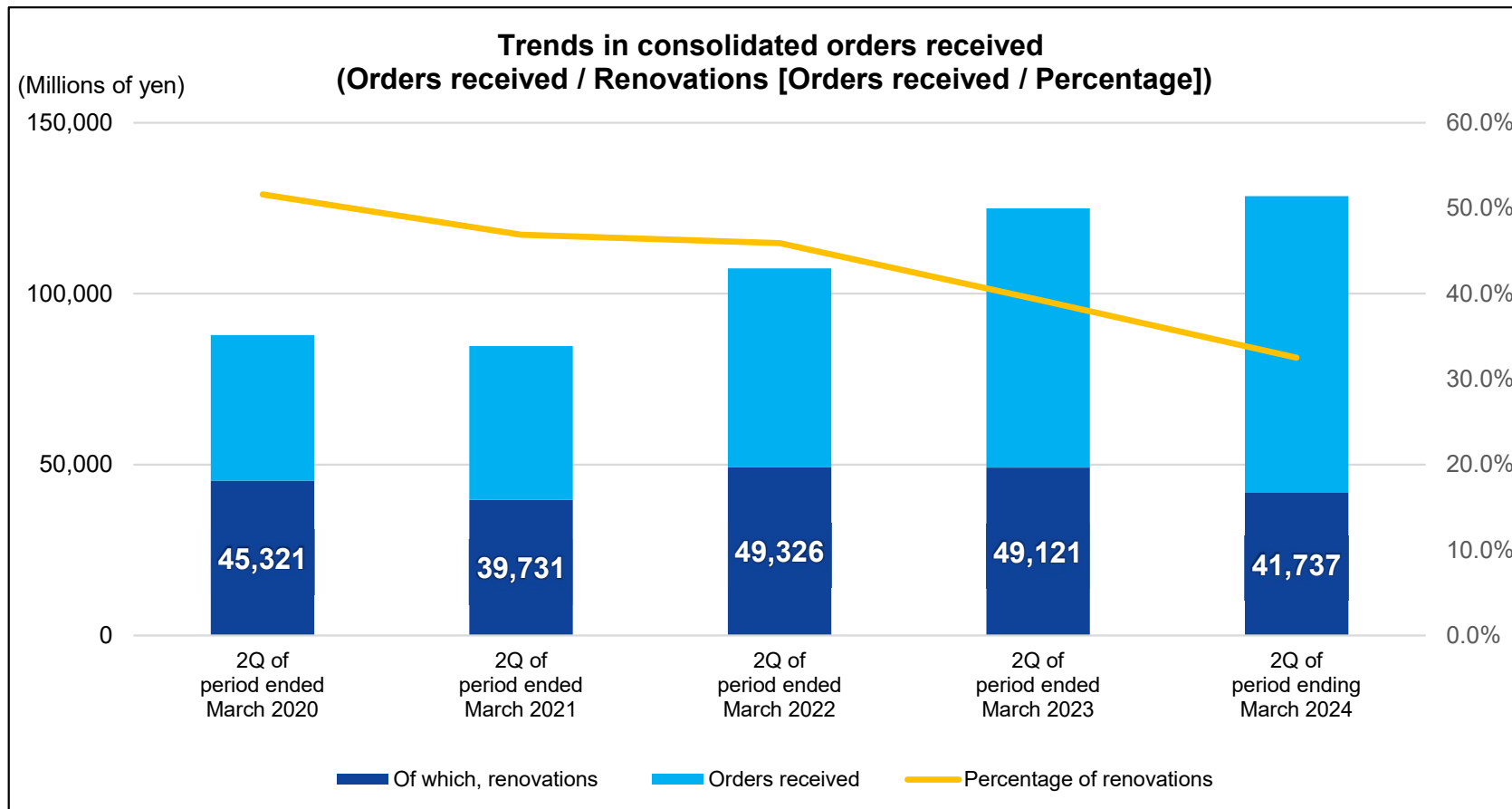
	Second quarter of period ended March 2020	Second quarter of period ended March 2021	Second quarter of period ended March 2022	Second quarter of period ended March 2023	Second quarter of period ending March 2024
Electrical installations	11,140	15,824	12,340	18,647	23,735
Air conditioning and plumbing installations	76,761	68,832	95,082	106,318	104,787
Total	87,902	84,656	107,423	124,966	128,523



Trends in consolidated orders received (Orders received / Renovations) (Second quarter)

(Millions of yen)

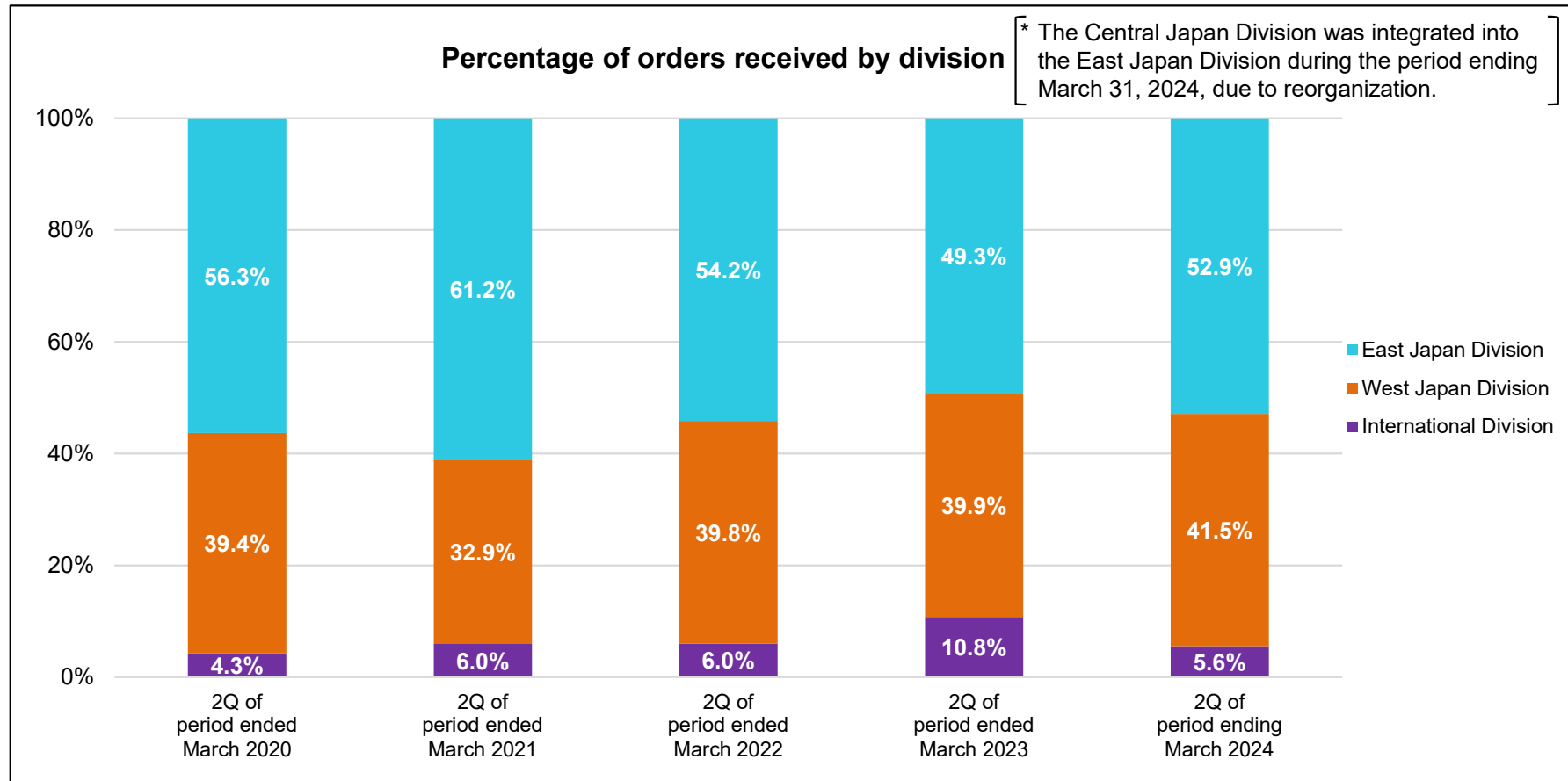
	Second quarter of period ended March 2020	Second quarter of period ended March 2021	Second quarter of period ended March 2022	Second quarter of period ended March 2023	Second quarter of period ending March 2024
Net sales of construction contract orders received	87,902	84,656	107,423	124,966	128,523
Renovations	45,321	39,731	49,326	49,121	41,737
Percentage of renovations	51.6%	46.9%	45.9%	39.3%	32.5%



Percentage of consolidated net sales of construction orders received by division (Second quarter)

Percentage of orders received

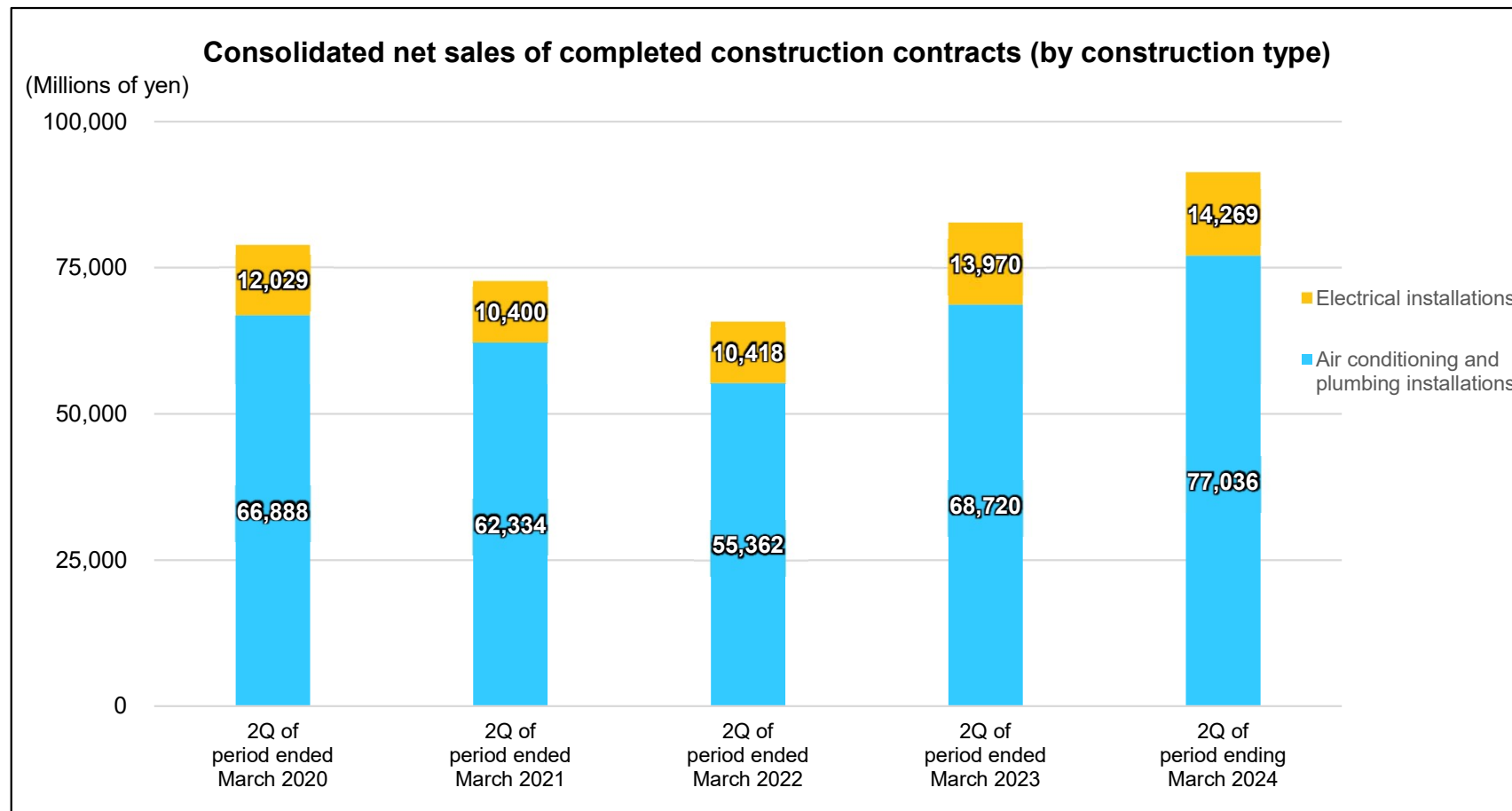
	Second quarter of period ended March 2020	Second quarter of period ended March 2021	Second quarter of period ended March 2022	Second quarter of period ended March 2023	Second quarter of period ending March 2024
East Japan Division	56.3%	61.2%	54.2%	49.3%	52.9%
West Japan Division	39.4%	32.9%	39.8%	39.9%	41.5%
International Division	4.3%	6.0%	6.0%	10.8%	5.6%



Consolidate net sales of completed construction contracts by construction type (Second quarter)

(Millions of yen)

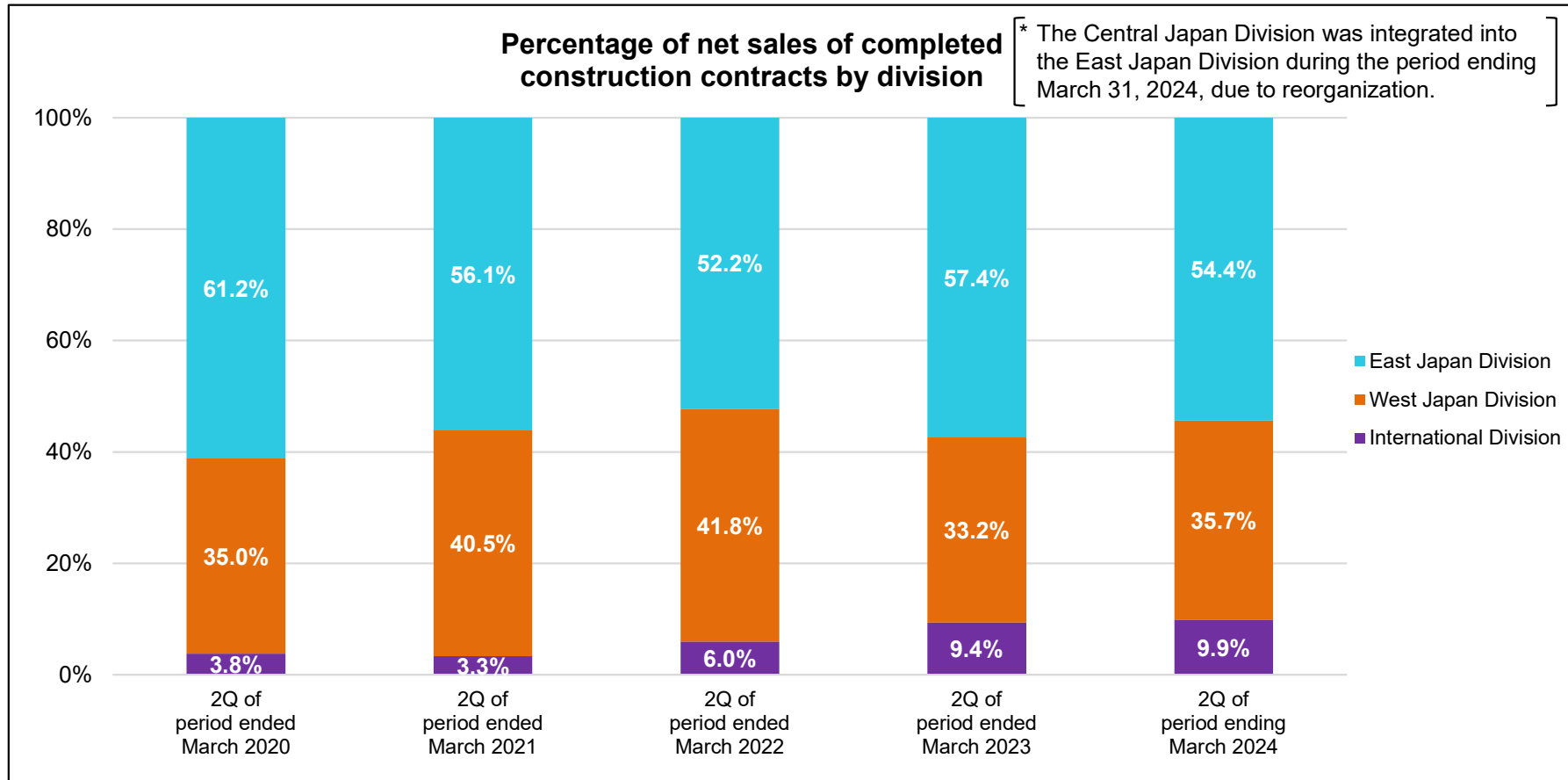
	Second quarter of period ended March 2020	Second quarter of period ended March 2021	Second quarter of period ended March 2022	Second quarter of period ended March 2023	Second quarter of period ending March 2024
Electrical installations	12,029	10,400	10,418	13,970	14,269
Air conditioning and plumbing installations	66,888	62,334	55,362	68,720	77,036
Total	78,917	72,734	65,780	82,690	91,306



Percentage of consolidated net sales of completed construction contracts by division (Second quarter)

Percentage of net sales of completed construction contracts

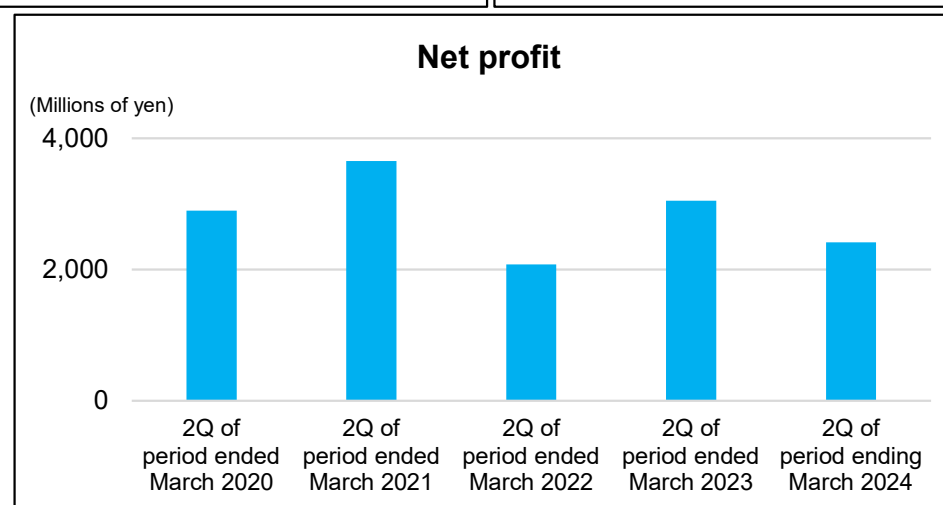
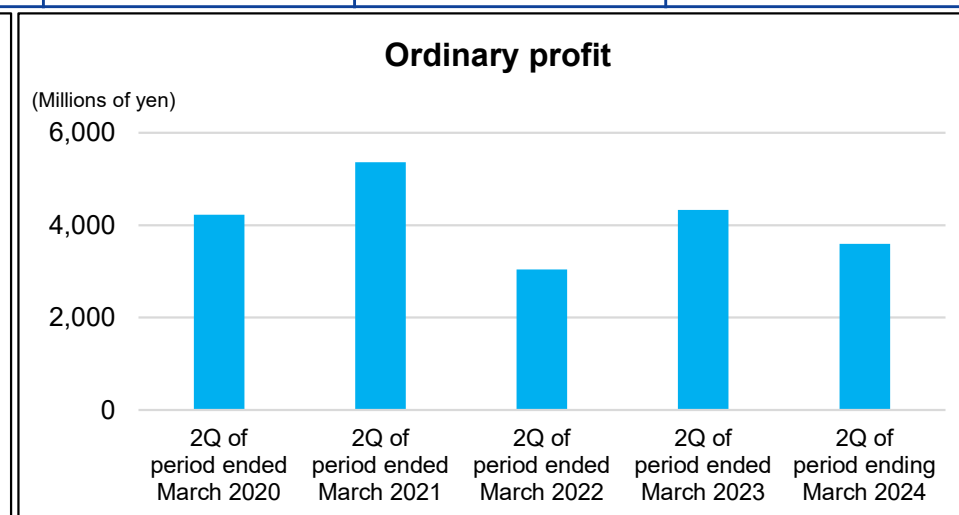
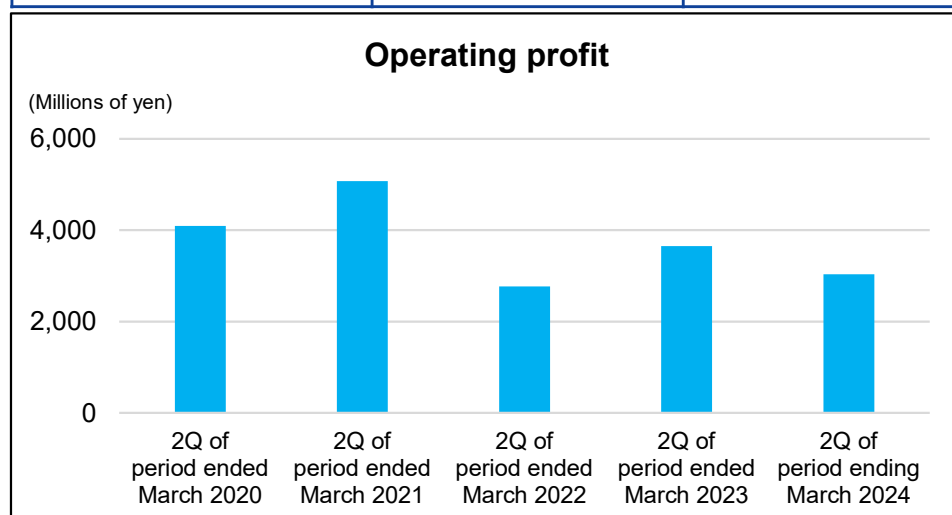
	Second quarter of period ended March 2020	Second quarter of period ended March 2021	Second quarter of period ended March 2022	Second quarter of period ended March 2023	Second quarter of period ending March 2024
East Japan Division	61.2%	56.1%	52.2%	57.4%	54.4%
West Japan Division	35.0%	40.5%	41.8%	33.2%	35.7%
International Division	3.8%	3.3%	6.0%	9.4%	9.9%



Consolidated operating/ordinary/net profits (Second quarter)

(Millions of yen)

	Second quarter of period ended March 2020	Second quarter of period ended March 2021	Second quarter of period ended March 2022	Second quarter of period ended March 2023	Second quarter of period ending March 2024
Operating profit	4,091	5,070	2,768	3,650	3,031
Ordinary profit	4,230	5,366	3,044	4,330	3,595
Net profit	2,897	3,654	2,077	3,045	2,411





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Disclaimer

The forecast concerning future business results, including future plans and strategies, disclosed by the Company is based on assumptions deemed reasonable at the time of announcement. Therefore, actual business results may differ from the forecast due to various factors.

IR-related inquiries:

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